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GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

CONTINUING CONNECTED TRANSACTIONS

THE LEASES

On 27 February 2017, Smart Edge as the Landlord and Goldin Real Estate Financial as the tenant entered into the Office Premises Lease, pursuant to which the Landlord agreed to lease certain properties of the Group to Goldin Real Estate Financial for office use for a term of three years commencing from 31 October 2016 and ending on 30 October 2019 (both days inclusive) which is renewable upon expiry of the lease term.

On 27 February 2017, Smart Edge as the Landlord and Goldin Dining as the tenant entered into the Goldin Dining Lease, pursuant to which the Landlord agreed to lease certain properties of the Group to Goldin Dining for restaurant use for a term of three years commencing from 1 December 2016 and ending on 30 November 2019 (both days inclusive) which is renewable upon expiry of the lease term.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Smart Edge, being the Landlord under the Leases, is indirectly owned as to 60% by the Company and as to 40% by Mr. Pan, who is the Chairman of the Board, an executive Director and a controlling Shareholder, thus a connected person of the Company under the Listing Rules. Goldin Real Estate Financial is a company beneficially owned by Mr. Pan and therefore Goldin Real Estate Financial is an associate of a connected person pursuant to the Listing Rules. Accordingly, the entering into of each of the Office Premises Lease and the Goldin Dining Lease constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

* *For identification purposes only*

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Leases are required to be aggregated for the purpose of calculating the percentage ratios (as defined under Rule 14.07 of the Listing Rules). Since the highest applicable percentage ratio relating to the proposed annual caps under the Leases exceeds 5%, the transactions contemplated under the Leases are therefore subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be convened to consider, and if thought fit, to approve the Office Premises Lease and the Goldin Dining Lease and the transactions contemplated thereunder. Given that Mr. Pan has material interest in both the Office Premises Lease and the Goldin Dining Lease, Mr. Pan has abstained from voting at the meeting of the Board for approving the Office Premises Lease and the Goldin Dining Lease. Mr. Pan and his associates will abstain from voting at the SGM for approving the Office Premises Lease and the Goldin Dining Lease and the transactions contemplated thereunder.

A circular containing, among others, (i) details on the terms of the Office Premises Lease and the Goldin Dining Lease; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 31 March 2017 as additional time is required by the Company for the preparation of certain information for inclusion in the circular.

OFFICE PREMISES LEASE

On 27 February 2017, Smart Edge as the Landlord and Goldin Real Estate Financial as the tenant entered into the Office Premises Lease, pursuant to which the Landlord agreed to lease certain properties of the Group to Goldin Real Estate Financial for office use for a term of three years commencing from 31 October 2016 and ending on 30 October 2019 (both days inclusive) together with two options to renew for a further term of three years each upon expiry of the lease term. The key terms of the Office Premises Lease are summarised as below:

Date	:	27 February 2017
Landlord	:	Smart Edge
Tenant	:	Goldin Real Estate Financial
Premises	:	Portions of the 25th, 26th and 27th floors of Goldin Financial Global Centre
Gross floor area	:	approximately 104,170 square feet
Lease term	:	Three years, commencing from 31 October 2016 and expiring on 30 October 2019 (both days inclusive) together with two options to renew for a further term of three years each subject to the terms and conditions of the Office Premises Lease
Rent-free period	:	No rent is to be payable by Goldin Real Estate Financial for the first five months and rates, management fee and air-conditioning charge and other payments (if any) will be borne by Goldin Real Estate Financial during such period
Use	:	Office premises
Monthly rent for the first three years	:	HK\$4,060,970.00 per month (inclusive of government rent)
Management fee and air-conditioning charge	:	HK\$572,935.00 per month (or equivalent to HK\$5.50 per square foot) subject to revision from time to time during the lease term
Rates	:	HK\$609,145.50 per quarter which is subject to government assessment
Other terms and conditions	:	Rent, management fee and air-conditioning charge are payable monthly, while rates is payable quarterly.

During the term of the Office Premises Lease, rates, management fee, air-conditioning charge and other payments incurred in connection with the leased premises under the Office Premises Lease shall be borne by Goldin Real Estate Financial.

Subject to compliance with the Listing Rules, the Office Premises Lease is renewable by Goldin Real Estate Financial with two options for a period of three years each by serving not more than seven months but not less than six months' written notice prior to the expiration of the Office Premises Lease or the renewal lease (as the case may be).

GOLDIN DINING LEASE

On 27 February 2017, Smart Edge as the Landlord and Goldin Dining as the tenant entered into the Goldin Dining Lease, pursuant to which the Landlord agreed to lease certain properties of the Group to Goldin Dining for restaurant use for a term of three years commencing from 1 December 2016 and ending on 30 November 2019 (both days inclusive) together with two options to renew for a further term of three years each upon expiry of the lease term. The key terms of the Goldin Dining Lease are summarised as below:

Date	:	27 February 2017
Landlord	:	Smart Edge
Tenant	:	Goldin Dining
Premises	:	Portions of the basement, ground floor, the 1st and 2nd floors of Goldin Financial Global Centre
Gross floor area	:	approximately 82,256 square feet
Lease term	:	Three years, commencing from 1 December 2016 to 30 November 2019 (both days inclusive) together with two options to renew for a further term of three years each subject to the terms and conditions of the Goldin Dining Lease
Rent-free period	:	No rent is to be payable by Goldin Dining for the first six months and rates, management fee, air-conditioning charge and other payments (if any) will be borne by Goldin Dining during such period
Use	:	Operation of restaurants
Monthly rent for the first three years	:	Base rent of HK\$2,438,374.00 (inclusive of government rent) plus turnover rent of 5% of the monthly revenue from the business operated by Goldin Dining on the leased premises
Management fee and air-conditioning charge	:	HK\$600,468.80 per month (or equivalent to HK\$7.30 per square foot) subject to revision from time to time during the lease term
Rates	:	HK\$365,756.10 per quarter which is subject to government assessment
Other terms and conditions	:	Rent, management fee and air-conditioning charge are payable monthly, while rates is payable quarterly

During the term of the Goldin Dining Lease, rates, management fee, air-conditioning charge and other payments incurred in connection with the leased premises under the Goldin Dining Lease shall be borne by Goldin Dining.

Subject to compliance with the Listing Rules, the Goldin Dining Lease is renewable by Goldin Dining with two options for a period of three years each by serving not more than seven months but not less than six months' written notice prior to the expiration of the Goldin Dining Lease or the renewal lease (as the case may be).

ANNUAL CAPS

Under the Listing Rules, the transactions contemplated under the Leases, being the Office Premises Lease and the Goldin Dining Lease, are required to be aggregated and treated as if they were one transaction. The proposed annual caps in respect of the transactions contemplated under the Leases are set out as below:

	For the eight months ending 30 June 2017	For the year ending 30 June 2018	For the year ending 30 June 2019	For the five months ending 30 November 2019
Annual cap under Office Premises Lease	HK\$34,964,000	HK\$52,238,000	HK\$52,238,000	HK\$17,413,000 <i>(Note 2)</i>
Annual cap under Goldin Dining Lease	HK\$22,905,000 <i>(Note 1)</i>	HK\$47,968,000	HK\$48,374,000	HK\$20,156,000
Total annual cap under the Leases	HK\$57,869,000	HK\$100,206,000	HK\$100,612,000	HK\$37,569,000

Notes:

- 1. The cap amount covers the seven months period commencing from 1 December 2016, being the effective date of the lease term under the Goldin Dining Lease, and ending on 30 June 2017.*
- 2. The cap amount covers the four months period commencing from 1 July 2019 and ending on 30 October 2019, being the end date of the lease term under the Office Premises Lease.*

The above proposed annual caps were determined by the Directors taking into account, amongst others, (i) the estimated monthly rent, rates, management fee and air-conditioning charge stipulated under the Office Premises Lease receivable by Smart Edge; (ii) the estimated monthly rent, rates, management fee and air-conditioning charge stipulated under the Goldin Dining Lease payable by Goldin Dining; (iii) the overall rental market of commercial properties in the Kowloon East district; and (iv) the expected monthly revenue of Goldin Dining during the lease term.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASES

The Group is principally engaged in (i) the provision of factoring services; (ii) financial investments; (iii) winery and wine related business; and (iv) property development and investment business.

Goldin Financial Global Centre is a 27-storey Grade-A office building with the 4th floor to the 27th floor being premium office space while the ground floor to the 2nd floor are designated as food and beverage zone with specialty and fine dining restaurants. Goldin Financial Global Centre is held by the Group as investment for rental purposes. The entering into of the Leases will enable the Group to utilise its property efficiently by maintaining a stable occupancy rate and securing long-term tenants.

Taking into account that the rent and other terms of the Leases were determined after arm's length negotiations between the parties thereto and the Leases were entered into in the ordinary and usual course of business of the Company, the Directors (excluding the independent non-executive Directors whose opinion will be formed after considering the recommendation from the Independent Financial Adviser) are of the opinion that the terms of the Leases and the proposed annual caps thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Smart Edge, being the Landlord under the Leases, is indirectly owned as to 60% by the Company and as to 40% by Mr. Pan, who is the Chairman of the Board, an executive Director and a controlling Shareholder, thus a connected person of the Company under the Listing Rules. Goldin Real Estate Financial is a company beneficially owned by Mr. Pan and therefore Goldin Real Estate Financial is an associate of a connected person pursuant to the Listing Rules. Accordingly, the entering into of each of the Office Premises Lease and the Goldin Dining Lease constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Leases are required to be aggregated for the purpose of calculating the percentage ratios (as defined under Rule 14.07 of the Listing Rules). Since the highest applicable percentage ratio relating to the proposed annual caps under the Leases exceeds 5%, the transactions contemplated under the Leases are therefore subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders regarding the terms of the Leases and the transactions contemplated thereunder, including the proposed annual caps under the Leases. An Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Leases, including the proposed annual caps, are normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

GENERAL

The SGM will be convened to consider, and if thought fit, to approve the Office Premises Lease and the Goldin Dining Lease and the transactions contemplated thereunder. Given that Mr. Pan has material interest in both the Office Premises Lease and the Goldin Dining Lease, Mr. Pan has abstained from voting at the meeting of the Board for approving the Office Premises Lease and the Goldin Dining Lease. Mr. Pan and his associates will abstain from voting at the SGM for approving the Office Premises Lease and the Goldin Dining Lease and the transactions contemplated thereunder.

A circular containing, among others, (i) details on the terms of the Office Premises Lease and the Goldin Dining Lease; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the SGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 31 March 2017 as additional time is required by the Company for the preparation of certain information for inclusion in the circular.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Goldin Financial Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Goldin Dining”	Goldin Dining Group Limited, a wholly owned subsidiary of the Company and being the tenant under the Goldin Dining Lease
“Goldin Dining Lease”	the lease dated 27 February 2017 entered into between the Landlord and Goldin Dining for the lease of premises of Goldin Financial Global Centre designated for restaurant use

“Goldin Financial Global Centre”	a commercial property situated at 17 Kai Cheung Road, Kowloon Bay, Hong Kong held by Smart Edge
“Goldin Real Estate Financial”	Goldin Real Estate Financial Group (Hong Kong) Limited, a company beneficially owned by Mr. Pan and being the tenant under the Office Premises Lease
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders as to the fairness and reasonableness of the Leases, including the proposed annual caps and the transactions contemplated thereunder
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Leases, including the proposed annual caps and the transactions contemplated thereunder
“Independent Shareholders”	all Shareholders other than Mr. Pan and his associates
“Landlord” or “Smart Edge”	Smart Edge Limited, being the landlord under the Leases and a company indirectly owned as to 60% by the Company and as to 40% by Mr. Pan respectively
“Leases”	collectively, the Office Premises Lease and the Goldin Dining Lease
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Pan”	Mr. Pan Sutong, being the Chairman of the Board, an executive Director and a controlling Shareholder, holding approximately 70.68% of the issued share capital of the Company as at the date of this announcement
“Office Premises Lease”	the lease dated 27 February 2017 entered into between the Landlord and Goldin Real Estate Financial for the lease of premises of Goldin Financial Global Centre for office use
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the Office Premises Lease and the Goldin Dining Lease and the proposed annual caps and the notice of which will be set out in the circular to be despatched to the Shareholders
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board of
Goldin Financial Holdings Limited
 高銀金融(集團)有限公司*
Pan Sutong
Chairman

Hong Kong, 27 February 2017

As at the date of this announcement, the Board comprises Mr. Pan Sutong (Chairman), Professor Huang Xiaojian, Mr. Zhou Xiaojun and Ms. Hou Qin as the executive Directors; and Hon. Shek Lai Him Abraham (GBS, JP), Ms. Hui Wai Man, Shirley, Mr. Tang Yiu Wing and Ms. Gao Min as the independent non-executive Directors, respectively.

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