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GOLD-FINANCE HOLDINGS LIMITED

金誠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO PROVISION OF SALES AND CUSTOMER SERVICES

FRAMEWORK AGREEMENT

On 20 June 2017 (after trading hours), Jin Kai Yuan Guan, an indirect wholly-owned subsidiary of the Company, and Jin Guan Cheng, a company under the control of Mr. Wei Jie, entered into the Framework Agreement in relation to the provision of Sales and Customer Services by Jin Guan Cheng to Jin Kai Yuan Guan and its subsidiaries for a term of 33 months commencing from 1 July 2017 and ending on 31 March 2020.

LISTING RULES IMPLICATIONS

Jin Guan Cheng, a company established in the PRC, is under the control of Mr. Wei Jie, the chairman, executive Director and controlling shareholder of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Caps under the Framework Agreement exceed 5%, the Framework Agreement and the Continuing Connected Transactions are subject to the reporting, annual review, announcement, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other things, (i) further details of the Framework Agreement; (ii) the recommendation from the Independent Board Committee in relation to the Framework Agreement and the Caps; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee in relation to the Framework Agreement and the Caps; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 11 July 2017.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Framework Agreement and the Caps, and Sunfund Capital Limited has been appointed as the Independent Financial Adviser to advise and make recommendations to the Independent Board Committee and the Independent Shareholders regarding, among others, the Framework Agreement and the Caps.

FRAMEWORK AGREEMENT

The principal terms of the Framework Agreement are set out below:

Date

20 June 2017

Parties

1. Jin Kai Yuan Guan, being an indirect wholly-owned subsidiary of the Company; and
2. Jin Guan Cheng, being a company under the control of Mr. Wei Jie, the chairman, executive Director and controlling shareholder of the Company.

Term

Subject to the approval of the Independent Shareholders in the EGM, the term of the Framework Agreement shall be 33 months commencing from 1 July 2017 to 31 March 2020.

Subject Matter

Pursuant to the Framework Agreement, Jin Guan Cheng shall provide the Sales and Customer Services to Jin Kai Yuan Guan and its subsidiaries on a non-exclusive basis for the Funds.

Service Fees

The Service Fees shall not exceed 1.5% of the actual subscription amount made by the Fund Investors procured by Jin Guan Cheng to the Funds, which were determined after arm's length negotiations between Jin Kai Yuan Guan and Jin Guan Cheng with reference to (i) the fee scale for similar services offered to its clients by Jin Guan Cheng; and (ii) the size and track record of the sales team of Jin Guan Cheng in selling and promoting third party funds.

The actual terms with respect to the Sales and Customer Services shall be (i) separately agreed and decided by Jin Kai Yuan Guan and Jin Guan Cheng pursuant to the provisions of the Framework Agreement; (ii) determined at arm's length and in accordance with prevailing commercial terms and practices; and (iii) in compliance with all applicable laws and regulations (including, but not limited to, applicable requirements under the Listing Rules). For the purpose of item (ii), Jin Guan Cheng undertakes to provide Jin Kai Yuan Guan with sample invoices issued by it to its clients for the provision of similar services and the Group will conduct regular review of such sample invoices for comparison and as a reference to ensure that the Service Fees are comparable to those charged by Jin Guan Cheng on the market.

Caps

It is currently estimated that the Caps for the Service Fees payable by Jin Kai Yuan Guan and its subsidiaries to Jin Guan Cheng under the Framework Agreement are as follows:

For the period from 1 July 2017 to 31 March 2018	RMB270.0 million (equivalent to approximately HK\$310.5 million)
For the period from 1 April 2018 to 31 March 2019	RMB277.5 million (equivalent to approximately HK\$319.1 million)
For the period from 1 April 2019 to 31 March 2020	RMB285.0 million (equivalent to approximately HK\$327.8 million)

In an attempt to establish a long term relationship with Jin Kai Yuan Guan and its subsidiaries and to enable Jin Kai Yuan Guan and its subsidiaries to assess the quality and results of the Sales and Customers Services offered by Jin Guan Cheng, Jin Guan Cheng entered into an agreement with Jin Zhong Xing, a wholly-owned subsidiary of Jin Kai Yuan Guan, on 31 December 2016 pursuant to which Jin Guan Cheng agreed to provide Sales and Customers Services to Jin Zhong Xing for eight private equity funds established and operated by Jin Zhong Xing and waived the services fees which they normally would charge for provision of such services, being approximately 1.5% of the actual subscription amount made by the investors procured by Jin Guan Cheng. Details of the said eight private equity funds, including the amount of funds made by investors procured by Jin Guan Cheng, are disclosed in the announcement of the Company dated 13 June 2017.

Accordingly, the Caps were determined with reference to internal projection of the Service Fees during the term of the Framework Agreement, taking into account of (i) the number of the private equity funds under negotiation and anticipated to use the Sales and Customer Services of Jin Guan Cheng and the target size of such funds is approximately RMB18.0 billion, RMB18.5 billion and RMB19.0 billion for the three years ending 31 March 2020, respectively; (ii) the expected future growth of Jin Kai Yuan Guan and its subsidiaries; (iii) the proposed development of a sales team by Jin Kai Yuan Guan to sell and promote the Funds initiated by it and its subsidiaries; (iv) the favourable policies of the PRC government in support of infrastructure and public private partnership (“PPP”) projects development; and (v) the expected increase in infrastructure and PPP projects in the PRC.

Internal Control

In order to ensure that the terms of the Sales and Customer Services under the Framework Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the Company has adopted the following measures:

1. the Company will supervise the continuing connected transactions in accordance with the procedures contained in the Company’s internal control manual on continuing connected transactions. A designated officer of Jin Kai Yuan Guan will conduct regular review to assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the Framework Agreement and will regularly monitor the rates charged by Jin Guan Cheng for similar services to ensure that the Service Fees are fair and reasonable and in accordance with the aforesaid fees policy;

2. the Company's external auditors will conduct an annual review on the Service Fees and the Caps and will issue their opinion to the Board in relation to the Service Fees and the Caps of the Continuing Connected Transactions conducted during the financial year pursuant to the Listing Rules; and
3. the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the Continuing Connected Transactions and confirm the transaction amounts and the terms of the Continuing Connected Transactions in the annual report of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE FRAMEWORK AGREEMENT

The principal business of the Group is provision of building services in Hong Kong as a subcontractor. Jin Kai Yuan Guan, a wholly-owned subsidiary of the Company established in the PRC with limited liability on 27 September 2016, is primarily engaged in investment management and investment consultation (save for securities and futures). Jin Kai Yuan Guan acquired Jin Zhong Xing, a company established in the PRC with limited liability on 13 January 2015 in November 2016. Jin Zhong Xing is principally engaged in investment management and investment consultation (save for securities and futures) and has obtained the required license for fund management activities granted by the Asset Management Association of China. As disclosed in the announcements of the Company dated 18 October 2016, 11 January 2017 and the circular of the Company dated 18 November 2016, the Company is expanding its business portfolio into the areas of investment and asset management, in particular, the Company intends to, through Jin Kai Yuan Guan and its subsidiaries, establish and operate a number of private equity funds in the PRC for the purpose of financing certain infrastructure projects of the PRC government and state-owned enterprises. In this connection, Jin Zhong Xing has established a total of eight private equity funds from 1 January 2017 to 7 June 2017, details of which are disclosed in the Company's announcement dated 13 June 2017. In an effort to further expand the Group's investment and asset management business, Jin Zhong Xing has entered into a number of memorandums of understanding with certain project companies relating to the possible creation of Funds, with an intended aggregate size of approximately RMB19.1 billion. Given the Group has only started developing its investment and asset management business since November 2016, the Group has yet to form its own sales team to market and sell the Funds initiated by Jin Kai Yuan Guan and its subsidiaries. It is the intention of the Group to gain capability to market and sell a majority of the private equity funds initiated by Jin Kai Guan Yuan and its subsidiaries by gradually developing its own sales team in the next three to four years.

In light of the above and having considered that (i) Jin Guan Cheng holds the relevant licence issued by the China Securities Regulatory Commission in relation to the sales and marketing of third party funds; (ii) Jin Guan Cheng possesses a large and strong sales team; (iii) the track record of Jin Guan Cheng in selling and promoting third party funds; and (iv) the performance of Jin Guan Cheng in procuring investors for the eight private equity funds established and operated by Jin Zhong Xing as above mentioned, Jin Guan Cheng was selected as the service provider for the Sales and Customer Services to facilitate Jin Kai Yuan Guan and its subsidiaries in raising capital for the Funds.

The Directors (excluding the independent non-executive Directors who will express their view after considering the advice of Independent Financial Adviser) consider that the Framework Agreement has been negotiated on an arm's-length basis and on normal commercial terms and the terms thereof are fair and reasonable and are in the interests of the Company and the

Shareholders as a whole. The Group has entered into the Framework Agreement to better regulate the Continuing Connected Transactions between Jin Guan Cheng and the Group and to enhance the stability of the Group's business operation as well as its long-term development.

As disclosed above, Jin Guan Cheng is under the control of Mr. Wei Jie, the chairman, executive Director and controlling shareholder of the Company, and Ms. Xu Li Yun, the executive Director, is the legal representative and a director of Jin Guan Cheng. Accordingly, both of Mr. Wei Jie and Ms. Xu Li Yun have abstained from voting on the Board resolutions in relation to the Framework Agreement and the transactions contemplated thereunder. Save as disclosed, none of the Directors has any material interest in any of the matters described in this announcement.

LISTING RULES IMPLICATIONS

Jin Guan Cheng, a company established in the PRC, is under the control of Mr. Wei Jie, the chairman, executive Director and controlling shareholder of the Company. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Caps under the Framework Agreement exceed 5%, the Framework Agreement and the Continuing Connected Transactions are subject to the reporting, annual review, announcement, and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee has been established to advise the Independent Shareholders in relation to the Framework Agreement and the Caps, and Sunfund Capital Limited has been appointed as the Independent Financial Adviser to advise and make recommendations to the Independent Board Committee and the Independent Shareholders regarding, among others, the Framework Agreement and the Caps.

GENERAL INFORMATION

Jin Guan Cheng

Jin Guan Cheng is a limited liability company incorporated in the PRC and is under the control of Mr. Wei Jie, the chairman, executive Director and controlling shareholder of the Company. It is principally engaged in the sales and marketing of funds and financial management products.

DEFINITIONS

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

“Board”	the board of Directors
“Caps”	the maximum aggregate Service Fees payable by Jin Kai Yuan Guan and its subsidiaries to Jin Guan Cheng under the Framework Agreement for the relevant period in a financial year
“Company”	Gold-Finance Holdings Limited, a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Stock Exchange (stock code: 1462)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the Framework Agreement
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and approve, if thought fit, the Framework Agreement and the Caps
“Framework Agreement”	the framework agreement dated 20 June 2017 entered into between Jin Kai Yuan Guan and Jin Guan Cheng in relation to provision of Sales and Customer Services
“Fund Investors”	the investors of the Funds
“Funds”	the private PRC funds established and operated by Jin Kai Yuan Guan and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee, comprising all independent non-executive Directors, which has been formed to advise the Independent Shareholders in respect of the Framework Agreement and the Caps

“Independent Financial Adviser”	Sunfund Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Framework Agreement and the Caps
“Independent Shareholders”	the shareholders of the Company other than Gold-Finance (Hong Kong) Asset Management Limited and Gold-Finance (Holdings) Group Co. Limited
“Independent Third Party(ies)”	third party(ies) independent of the Company and the connected persons (as defined under the Listing Rules) of the Company
“Jin Guan Cheng”	浙江金觀誠財富管理有限公司 (Zhejiang Jin Guan Cheng Asset Management Company Limited*), a company established in the PRC with limited liability and under the control of Mr. Wei Jie, the chairman, executive Director and controlling shareholder of the Company
“Jin Kai Yuan Guan”	杭州金開圓觀投資管理有限公司 (Hangzhou Jin Kai Yuan Guan Investment Management Company Limited*), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“Jin Zhong Xing”	杭州金仲興投資管理有限公司 (Hangzhou Jin Zhong Xing Investment Management Company Limited*), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Jin Kai Yuan Guan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sales and Customer Services”	the provision of (i) sales and marketing services by Jin Guan Cheng to Jin Kai Yuan Guan and its subsidiaries, which primarily include procuring Investors to subscribe or apply for limited partnership interests in the Funds, facilitating Investors to redeem their limited partnership interests in the Funds (if applicable), assessing the Investors’ risk tolerance level, reviewing the information of the Investors and assisting Investors in executing the required documentation for investment in the Funds; and (ii) customer services by Jin Guan Cheng to Jin Kai Yuan Guan and its subsidiaries which primarily include handling enquiries and complaints from Investors regarding the Funds or their investment in the Funds, and providing Investors transaction confirmations, marketing materials, etc.

“Service Fees”	fees for the Sales and Customer Services provided by Jin Guan Cheng to Jin Kai Yuan Guan and its subsidiaries
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

Amounts denominated in RMB has been converted into HK\$ at an exchange rate of RMB1 to HK\$1.15 for the purpose of illustration only.

By Order of the Board
Gold-Finance Holdings Limited
WEI Jie
Chairman and Chief Executive Officer

Hong Kong, 20 June 2017

At the date of this announcement, the Board comprises Mr. Wei Jie, Ms. Xu Li Yun and Mr. Wong Kam Ting as executive Directors; and Mr. Niu Zhongjie, Mr. Cheung Ying Kwan and Mr. Chen Zhao as independent non-executive Directors.

* *For identification purposes only*