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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)

**MAJOR TRANSACTION
IN RELATION TO
ACQUISITION OF THE LAND USE RIGHTS OF THE LAND**

A letter from the Board is set out on pages 4 to 10 of this circular.

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DEFINITIONS

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

“Acquisition”	the acquisition of the land use rights of the Land by Yueyang Baoming from the Vendor pursuant to the Land Use Rights Grant Contract
“Auction”	an open auction for the land use rights of the Land
“Board”	the board of Directors
“Company”	Gold-Finance Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Confirmation Letter”	the auction confirmation letter of the Land* (岳陽市公共資源進場交易確認書) issued on 2 November 2017 by the Vendor to Yueyang Baoming confirming the successful bidding at the Auction
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“GDP”	gross domestic product
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a land parcel with a net land area of approximately 138,648 sq.m. located at the intersection east of Lvyou Road* and south of Dongting Road* (旅遊路以東洞庭大道以南), Junshan District, Yueyang City, Hunan Province, the PRC
“Land Use Rights Grant Contract”	the land use rights grant contract* (國有建設用地使用權出讓合同) dated 14 November 2017 entered into between Yueyang Baoming and the Vendor pursuant to the Confirmation Letter
“Latest Practicable Date”	17 November 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lender”	Wuxi Ren Yu Tourism Development Company Limited* (無錫人魚旅遊發展有限公司), a company established in the PRC with limited liability and a company indirectly owned and controlled by, among others, Mr. Wei Jie, an executive Director and a controlling Shareholder, and Ms. Xu Li Yun, an executive Director

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	loans in the amount of RMB110 million and RMB60 million provided by the Lender to two indirect wholly-owned subsidiaries of the Company pursuant to two separate loan agreements entered into between the Lender and the two indirect wholly-owned subsidiaries of the Company on 29 September 2017 and 25 October 2017, respectively
“percentage ratios”	as defined under the Listing Rules
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property Valuation Report”	a valuation report prepared by Royson Valuation Advisory Limited, qualified valuer, of the Land in accordance with the Listing Rules and included as Appendix III to this circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars, the lawful currency of the United States of America
“Vendor”	Junshan District Branch of Land and Resources Bureau of Yueyang* (岳陽市國土資源局君山區分局)

DEFINITIONS

“Yueyang Baoming” Yueyang Baoming Real Estate Development Co., Ltd.* (岳陽寶明置業發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

* *For identification purpose only*



GOLD-FINANCE HOLDINGS LIMITED

金誠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1462)

Executive Directors:

Mr. Wei Jie

(Chairman and Chief Executive Officer)

Ms. Xu Li Yun

Mr. Wong Kam Ting

Registered office:

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75 Fort Street, P.O. Box 1350

Grand Cayman, KY1-1108

Cayman Islands

Independent non-executive Directors:

Mr. Niu Zhongjie

Mr. Cheung Ying Kwan

Mr. Chen Zhao

*Head office and principal place
of business in Hong Kong:*

2806–2807, 28/F

Champion Tower

3 Garden Road

Central, Hong Kong

20 November 2017

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO
ACQUISITION OF THE LAND USE RIGHTS OF THE LAND**

INTRODUCTION

Reference is made to the announcements of the Company dated 3 October 2017, 27 October 2017 and 30 October 2017 in relation to the Acquisition (the “**Announcements**”).

The purpose of this circular is to provide you with, among other things, details of the Acquisition and other information as required under the Listing Rules.

LETTER FROM THE BOARD

The Board is pleased to announce that Yueyang Baoming, an indirect wholly-owned subsidiary of the Company, has successfully bid for the land use rights of the Land in the Auction held by the Vendor for the total consideration of RMB158 million. The Land is located at Yueyang City, Hunan Province, the PRC with a total net land area of approximately 138,648 sqm. The Land is designated partly for residential use (ordinary commodity house) and partly for commercial use (accommodation and catering) with the term of 70 years for residential use (ordinary commodity house) and 40 years for commercial use (accommodation and catering).

MAJOR TERMS OF THE CONFIRMATION LETTER

Date: 2 November 2017

Parties: Yueyang Baoming, an indirect wholly-owned subsidiary of the Company (as purchaser)

Junshan District Branch of Land and Resources Bureau of Yueyang* (岳陽市國土資源局君山區分局) (as vendor)

Consideration: RMB158 million which was arrived at after bidding at the Auction.

MAJOR TERMS OF THE LAND USE RIGHTS GRANT CONTRACT

Date: 14 November 2017

Parties: Yueyang Baoming, an indirect wholly-owned subsidiary of the Company (as purchaser)

Junshan District Branch of Land and Resources Bureau of Yueyang* (岳陽市國土資源局君山區分局) (as vendor)

Location of the Land: At the intersection east of Lvyou Road* and south of Dongting Road* (旅遊路以東洞庭大道以南) of Junshan District, Yueyang City, Hunan Province, the PRC

Gross land area: Approximately 159,652 sq.m.

Net land area: Approximately 138,648 sq.m.

Nature of land use rights: Partly commercial use (accommodation and catering) and partly residential use (ordinary commodity house)

Term of the land use rights: Commercial use (accommodation and catering) has a term of 40 years and residential use (ordinary commodity house) has a term of 70 years

Gross floor area to be constructed: Approximately 298,093 sq.m.

LETTER FROM THE BOARD

Coverage ratio:	Not greater than 26%
Greenery ratio:	Not less than 30%
Height limit:	Not greater than 100 metres and 80 metres for commercial and residential buildings respectively
Other development terms:	There shall be more than or equal to 2,750 carparks on the Land, which consists of more than or equal to 534 ground carparks and more than or equal to 2,216 underground carparks
Consideration:	RMB158 million
Deposit:	A sum of RMB109.9 million has been paid by Yueyang Baoming as deposit for the Auction on 27 October 2017
Handover date:	Before 30 April 2018
Commencement of construction:	Before 30 April 2019
Completion of construction:	Before 30 April 2022

Consideration and payment terms

The total consideration for the Acquisition was RMB158 million of which RMB109.9 million was settled by cash and bank balances on hand on 27 October 2017. And the remaining balance of approximately RMB48.1 million was settled by utilisation of the Loans on 17 November 2017. As at 31 October 2017, the Group had available cash and bank balances of approximately HK\$100 million and undrawn loan facilities of HK\$317 million.

The consideration of the Acquisition was determined by the Company based on the following: (i) the location and business potential of the Land as mentioned in the below section headed “Information on the Land”; and (ii) the fair value of the Land, assuming that the land use rights certificate has been granted and land premium has been fully settled, was approximately RMB160 million as at 30 October 2017 according to the Property Valuation Report.

A deposit in the amount of RMB109.9 million has been paid by Yueyang Baoming on 27 October 2017. The remaining balance of RMB48.1 million was settled by Yueyang Baoming on 17 November 2017.

The asset value of the Land as of 30 October 2017 was RMB160 million which is based on the Property Valuation Report, the text of which is set out in Appendix III to this circular.

LETTER FROM THE BOARD

Completion

There is no condition precedent for the Acquisition and completion of the Acquisition shall take place on or before 30 April 2018. The actual date of completion will depend on the time for administrative process carried out by the Vendor or relevant government authorities after receipt of the remaining balance of the consideration of the Acquisition.

According to the Land Use Rights Grant Contract, the Vendor shall deliver the Land to Yueyang Baoming on or before the handover date, i.e. 30 April 2018 upon timely payment of the consideration of the Acquisition by Yueyang Baoming. If the Vendor fails to deliver the Land to Yueyang Baoming on the handover date as specified in the Land Use Rights Grant Contract, the Vendor shall make a default payment to Yueyang Baoming at the rate of 1‰ of the consideration of the Acquisition paid for each day delayed, and the term of the land use rights of the Land shall commence on the actual date of handover. If the Land is not delivered to Yueyang Baoming more than 60 days after the handover date specified in the Land Use Rights Grant Contract, and the Vendor is not able to deliver the Land upon request by Yueyang Baoming, Yueyang Baoming is entitled to terminate the Land Use Rights Grant Contract and the Vendor shall (i) return the deposit and all remaining balance of consideration of the Acquisition paid by Yueyang Baoming; and (ii) pay an additional amount equivalent to the deposit paid by Yueyang Baoming. Yueyang Baoming may make claims against the Vendor for loss and damage suffered by Yueyang Baoming due to the delay of handover.

As at the Latest Practicable Date, Yueyang Baoming has not obtained the land use rights certificate of the Acquisition, it is expected that the land use rights certificate will be obtained on or before 30 April 2018.

INFORMATION ON THE LAND

The Land is situated at the intersection east of Lyou Road* and south of Dongting Road* (旅遊路以東洞庭大道以南), Junshan District, Yueyang City, Hunan Province, the PRC. The Land has a net land area of approximately 138,648 sq.m. The Land is surrounded by Dongting Lake (洞庭湖) and Xiangjiang River (湘江河). It is encircled by well-known sightseeing attractions, including Junshan Island (君山島) on its west side and Yueyang Pavilion (岳陽樓) on its east side. The commute distances from the Land to Yueyang City's central district and the local high speed rail station are both less than 20 kilometres.

Yueyang City is a historical and cultural city nestled within the Yangtze River (長江) valley, referred to as a bright pearl besides Dongting Lake. It is located in northeast Hunan Province. In 2016, the GDP of Yueyang City surpassed RMB300 billion for the first time, making it the second place in the Hunan Province. According to the statistics as published by the National Bureau of Statistics of the PRC and the People's Government of Yueyang City, in 2016, the GDP per capita of Yueyang City was approximately RMB55,000, representing a growth of approximately 6.5% in comparison to 2015. In addition, the GDP per capita of Yueyang City is approximately 19.6% higher than the GDP per capita of the Hunan Province of approximately RMB46,000.

LETTER FROM THE BOARD

According to the statistics as published by the People's Government of Yueyang City, the total traveller throughput of Yueyang City was approximately 105 million in 2016. The tourism income derived from domestic tourists was approximately RMB49.9 billion in 2016, representing a growth of 50.3% in comparison to 2015. Yueyang Pavilion (岳陽樓) and Junshan Island (君山島) in Yueyang City are both known as 5A Scenic Tourist Resort Area (5A風景旅遊度假區) and National Key Scenic Spots (國家重點風景名勝), which are top tourism sites in the PRC. According to statistics published by China Tourism Academy (中國旅遊研究院), during the first half of 2017, the number of domestic tourists in the PRC increased approximately 13.5% to 2,537 million from 2,236 million during the first half of 2016. As a tourism city, Yueyang City is likely to benefit from the growth of domestic tourism in the PRC.

FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER

On 29 September 2017 and 25 October 2017, the Lender, a company indirectly owned and controlled by, among others, Mr. Wei Jie, an executive Director and a controlling Shareholder, and Ms. Xu Li Yun, an executive Director, entered into two separate loan agreements with two indirect wholly-owned subsidiaries of the Company (the “Borrowers”) pursuant to which the Lender agreed to provide the unsecured Loans of RMB110 million and RMB60 million to the Borrowers, respectively, each for a duration of three years at an interest rate of 6% per annum. Pursuant to the loan agreements, the Loans will be used by the Borrowers as their working capital. The Group intends to use part of the Loans to partially finance the Acquisition and will assess the financial needs for its business development on an ongoing basis. The Group is also exploring more favorable financing alternatives to support its property investment and development business.

As Mr. Wei Jie is an executive Director and a controlling Shareholder and Ms. Xu Li Yun is an executive Director, the Loans will constitute connected transactions in the form of financial assistance from the Lender in favour of the Borrowers. However, as the Loans are not secured by any assets of the Group, and as the Directors (including the independent non-executive Directors) consider that the terms of the Loans are on normal commercial terms or better, the Loans are fully-exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the provision of building services and provision of investment and asset management services.

INFORMATION ABOUT THE VENDOR

The Vendor is a governmental department of the Yueyang City, Hunan Province, the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owners are third parties independent of the Company and any connected person of the Company and are not connected persons of the Company.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of building services and provision of investment and asset management services. Since the second half of 2017, the Group has acquired the land use rights of several parcels of land in the PRC as it intends to expand its business portfolio in property investment and development with focuses primarily in developing unique towns in the PRC.

Having considered that (i) the Acquisition is in line with the business strategies of the Group to expand the footprint of the Group's business to property investment and development and thereby able to benefit from the rapid growth of the PRC local economy; (ii) the Land is located at a prime location in Hunan Province and is of great potential for development of residential and commercial property; and (iii) the purchase price by the Group is in line with the fair value of the Land according to the Property Valuation Report, the Directors consider the Acquisition presents a valuable business opportunity for the Group to enhance its corporate development and property investment and development business in the PRC.

Subject to the handover of the Land by the Vendor, the Group is considering to commence development of the Land on or around the first half of 2018. The construction period of the development is expected to be approximately two to three years and the development will be in several phases. The construction works of the Land shall be subject to invitation tenders.

The Directors (including the independent non-executive Directors) consider the terms of the Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios in respect of the Acquisition are above 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, a closely allied group of Shareholders comprising of Gold-Finance (Hong Kong) Asset Management Limited and Gold-Finance (Holdings) Group Co. Limited (both of which are under the control of Mr. Wei Jie, an executive Director and a controlling Shareholder), were interested in 2,200,000,000 Shares and 800,000,000 Shares respectively, representing in aggregate 75% of the issued share capital of the Company. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Acquisition; and (ii) a written Shareholder's approval has been obtained from Gold-Finance (Hong Kong) Asset Management Limited and Gold-Finance (Holdings) Group Co. Limited in respect of the Acquisition, no physical general meeting of the Company will be convened to approve the Acquisition pursuant to Rule 14.44 of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider the terms of the Acquisition are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole and recommend the Shareholders to vote in favour of the resolutions if the Company were to convene a general meeting to approve the Acquisition.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL SUMMARY OF THE GROUP

The Company is required to set out in this circular the financial information for the last three financial years with respect to the profits and losses, financial record and position, as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 March 2017 are set out on pages 48 to 53 of the annual report 2016/2017 of the Company which was posted on 24 July 2017 on the Stock Exchange's website (<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0724/LTN20170724385.pdf>) and the Company's website (http://hmdlink.hetermedia.com/FDS/App_Data/PDF/LTN20170724385.pdf).

The audited consolidated financial statements of the Group for the year ended 31 March 2016 are set out on pages 35 to 39 of the annual report 2015/2016 of the Company which was posted on 18 July 2016 on the Stock Exchange's website (<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0718/LTN20160718185.pdf>) and the Company's website (http://hmdlink.hetermedia.com/FDS/App_Data/PDF/LTN20160718185.pdf).

The audited consolidated financial statements of the Group for the year ended 31 March 2015 are set out on pages 33 to 38 of the annual report 2014/2015 of the Company which was posted on 15 July 2015 on the Stock Exchange's website (<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0715/LTN20150715510.pdf>) and the Company's website (http://hmdlink.hetermedia.com/FDS/App_Data/PDF/LTN20150715510.pdf).

2. WORKING CAPITAL

As described in the section headed "Consideration and payment terms" in the Letter from the Board section, the Group intends to finance the Acquisition with its internal resources, existing financial institution borrowing and facilities and/or the Loans.

The Directors are of the opinion that, after taking into account the Group's internal resources, including cash flow from operations, existing financial institution borrowings and facilities and the Loans, the Group will have sufficient working capital to meet its requirements for at least 12 months from the date of this circular in the absence of unforeseen circumstances.

3. STATEMENT OF INDEBTEDNESS

As at the close of the business on 31 October 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular, the indebtedness of the Group was as follows:

Borrowings:

As at 31 October 2017, the Group had outstanding total interest-bearing borrowings of approximately HK\$279.0 million, comprising:

- (i) a loan from a third party of approximately HK\$90.0 million bearing contractual interest rate of 3.88889% per annum, secured by the Group's investment property and property, plant and equipment and guaranteed by a corporate guarantee provided by the Company;
- (ii) an unsecured and non-guaranteed loan from a related party of approximately HK\$130.5 million bearing contractual interest rate of 6% per annum; and
- (iii) an unsecured and non-guaranteed convertible bonds issued to a third party with principal of approximately HK\$58.5 million bearing contractual interest rate of 6% per annum.

The carrying values of the Group's investment property and property, plant and equipment as at 31 October 2017, which were pledged to secure the Group's borrowings, amounted to approximately HK\$8.3 million and HK\$57.3 million, respectively.

Contingent liabilities:

As at 31 October 2017, the Group had performance bonds issued by a bank in favour of certain contract customers amounted to approximately HK\$36.7 million, which the performance bonds were secured by the Group's investment property, property, plant and equipment, insurance plan and bank deposits. The carrying values of the Group's investment property and property, plant and equipment, a deposit of life insurance product and bank deposits as at 31 October 2017, which were pledged to secure the Group's performance bonds, amounted to approximately HK\$8.3 million, HK\$12.3 million, HK\$6.5 million and HK\$3.7 million, respectively.

Pledge of Assets:

As at 31 October 2017, an investment property owned by the Group with a carrying amount of approximately HK\$8.3 million, property, plant and equipment with a carrying amount of approximately HK\$12.3 million and a deposit of life insurance product with a carrying amount of approximately HK\$6.5 million were pledged to a bank to secure the general banking facilities granted to the Group.

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Group did not have any outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on 31 October 2017.

Save as aforesaid and apart from the intra-group liabilities, the Directors confirmed that there had not been any material change to the indebtedness and contingent liabilities of the Group since 31 October 2017 and up to the Latest Practicable Date.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2017, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Whilst the Group remains its focus on its principal businesses in the provision of building services and provision of investment and asset management services, the Board continuously explores business opportunities to strengthen the long term growth of the Group.

Looking ahead, the Directors stay optimistic about the future development of the Group despite rising labour costs and raw materials cost. According to the Hong Kong 2017–18 Budget, the Hong Kong Government will allocate approximately HK\$86.8 billion to capital works. With a number of projects at their construction peaks, capital works expenditure is expected to remain at relatively high levels in the next few years.

In view of the aforesaid increasing public expenditure on capital works, the Directors believe that there will be more opportunities for the Group's building services business in both private and public sectors in the future. Having considered the Group's solid experience in the building services industry, possession of the requisite licences and registrations and track record for undertaking engineering projects in both private and public sectors, the Directors are of the view that the Group is well positioned to capture the emerging business opportunities.

The Group will continue to achieve growth in its building services business through various means, including but not limited to, actively identifying new building services projects from both private and public sectors through reviewing the Government Gazette on a weekly basis; frequently checking the websites of existing and potential customers for tender notices; and maintaining close relationships with its existing customers. Furthermore, the Group will continue to focus on providing high quality building services to its customers in a timely manner, which will enable the Group to strengthen its reputation and thereby increasing its market position in the construction industry.

In respect of its investment and asset management services business, the Group had, as at 31 October 2017, established a total of 25 private funds in the PRC with focus on financing certain infrastructure projects of the PRC government and state-owned enterprises. The total asset under management of these 25 private funds reached an aggregate value of approximately RMB8.6 billion as at 31 October 2017.

The PRC government has vigorously promoted the implementation of local infrastructure projects in the form of public-private partnership (“PPP”) since 2013 through the promulgation of a number of policies such as 《國務院關於創新重點領域投融資機制鼓勵社會投資的指導意見》(國發[2014]60號) (The State Council’s Investment and Financing Mechanism for Key Innovation Fields (Guofa [2014] No. 60)), 《中共中央國務院關於深化投融資體制改革的意見》(中發[2016]18號) (The Opinion of the Central Committee of the Communist Party and the State Council on Deepening the Reform of Capital System (Zhongfa [2016] No. 18)) and 《傳統基礎設施領域實施政府和社會資本合作項目工作導則》(發改投資[2016]2231號) (The Guidelines for the Implementation of Government and Social Capital Cooperation Projects in the Field of Traditional Infrastructure (Fagai Touzi [2016] No. 2231)). Besides the promulgation of favourable policies, the PRC government has also increased the number of infrastructure projects in the recent years. In September 2015, the Ministry of Finance of the PRC (the “**Ministry of Finance**”) started a fund with RMB180 billion to support PPP projects. In October 2016, the Ministry of Finance published a new group of PPP projects with a total investment value of approximately RMB1.17 trillion.

In view of the foregoing industry outlook/market trend, together with the general rate of return of PPP projects in the PRC of approximately 7% to 10%, the Directors are of the view that the future prospect of the investment and asset management services business is promising as the funds established by the Group mainly invest in infrastructure and infrastructure related projects in the PRC and the PRC government is supportive of launching greater number of infrastructure projects, particularly in the form of PPP.

Apart from engaging in the two principal businesses of the Group, the Group is also expanding its business portfolio of building services and investment and asset management services into the synergistic areas of property investment and development. The property investment and development business of the Group will focus primarily in developing unique towns in the PRC which is leveraging on the relevant investment management experience and market insights obtained through participating in the PRC infrastructure and property development projects by its well-established investment and asset management arm. Since the second half of 2017, the Group has acquired the land use rights of several parcels of land in the PRC. As at 2 November 2017, the Group has made 5 successful bids for the land use rights of these parcels of land in the PRC (including the Land). These parcels of land are located in Xiangshan County, Gaoyou City and Yueyang City of the PRC respectively, and the aggregate purchase price for the land use rights of these parcels of land amounted to approximately RMB308.39 million.

With the aim to continue deliver value to its Shareholders, the Group will continue to seek opportunities to enhance its property investment and development business in the PRC. The Company remains optimistic on the long-term prospects of the real estate industry and will attempt to expedite the development of these parcels of land acquired to

realise the earning potentials of these parcels of land. The Group has a preliminary plan to commence development some of these parcels of land in the fourth quarter of 2017. The expected construction period of the development of these parcels of land approximately range from two to three years and the development will be in several phases. Save for financial assistance from controlling shareholder, internally generated cash flows from other operations and borrowings from financial institutions, the Group will continue to assess available financial resources with more favourable terms in support of its property investment and development business on an ongoing basis.

6. FINANCIAL EFFECTS OF THE ACQUISITION

As approximately RMB109.9 million of the Consideration has been settled by the Group with cash and bank balances on hand on 27 October 2017 and approximately RMB48.1 million of the Consideration was settled by parts of the Loans on 17 November 2017, this will result in (a) an increase in non-current assets of approximately RMB158 million; (b) decrease in current assets of approximately RMB109.9 million; and (c) an increase in non-current liabilities of approximately RMB48.1 million upon the completion of the Acquisition. Save for the aforesaid effects from the Acquisition, the Company considers that there will not be any material effect on the earnings of the Group immediately upon the Acquisition. In view of the location and business potential of the Land as mentioned in the section headed “Information on the Land” as set out in the Letter from the Board, it is anticipated that the Acquisition will improve the Group’s trading prospects in the future and the Directors consider the Acquisition will contribute to the revenue and earnings base of the Group upon completion of this property development project but the quantification of such contribution will depend on the future performance of the Group.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors' interests in Shares, underlying Shares and debentures of the Company or associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept under section 352 of the SFO; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”) were as follows:

Long position in Shares of the Company

Director	Capacity and nature of interests	Number of Shares held	% of issued share capital
Mr. Wei Jie	Interest in a controlled corporation	3,000,000,000	75%

Note: Out of the 3,000,000,000 Shares, 2,200,000,000 Shares (representing 55% of the issued Shares) were held by Gold-Finance (Hong Kong) Asset Management Limited, which is wholly-owned by Gold-Finance Industrial Group Co., Limited and which in turn is wholly owned by 浙江金誠資產管理有限公司 (Zhejiang Jin Cheng Asset Management Company Limited* (“**Zhejiang Jin Cheng**”)). Zhejiang Jin Cheng is wholly-owned by 新余金誠實業集團有限公司 (Xin Yu Jin Cheng Industrial Group Limited* (“**Xin Yu Jin Cheng**”)), which is 95.78% owned by Mr. Wei Jie. The remaining 800,000,000 Shares (representing 20% of the issued Shares) were held by Gold-Finance (Holdings) Group Co. Limited, which is 45.51% owned by Hengyuan Holdings Group Co. Ltd. and which in turn is wholly-owned by Mr. Wei Jie. Therefore, Mr. Wei Jie is deemed to be interested in the 3,000,000,000 Shares.

(ii) Long position in the underlying Shares of the Company

As at the Latest Practicable Date, details of outstanding options to subscribe for the Shares granted by the Company to the Directors on 17 February 2017 were as follows:

Director	Exercisable period (both dates inclusive)	Exercise price per Share	Number of Shares to be allotted and issued upon full exercise of the options
Mr. Wei Jie	17 February 2017 to 16 February 2027	HK\$2.00	2,500,000
Ms. Xu Li Yun	17 February 2017 to 16 February 2027	HK\$2.00	2,500,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or any of their spouses or children under 18 years of age had registered an interest or a short position in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(iii) Substantial Shareholders' interests in Shares

As at the Latest Practicable Date, to the best of the Directors' knowledge, the interests and short positions of the person (other than the Directors or chief executive of the Company) or company in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position in Shares of the Company

Name of Shareholders	Capacity and nature of interests	Number of Shares held	% of issued share capital
Gold-Finance (Hong Kong) Asset Management Limited	Beneficial owner	2,200,000,000	55%
Gold-Finance Industrial Group Co., Limited (Note 1)	Interest in a controlled corporation	2,200,000,000	55%
Zhejiang Jin Cheng (Note 1)	Interest in a controlled corporation	2,200,000,000	55%
Xin Yu Jin Cheng (Note 2)	Interest in a controlled corporation	2,200,000,000	55%
Gold-Finance (Holdings) Group Co. Limited	Beneficial owner	800,000,000	20%
Hengyuan Holdings Group Co. Ltd (Note 3)	Interest in a controlled corporation	800,000,000	20%

Notes:

- Gold-Finance (Hong Kong) Asset Management Limited is owned as to 100% by Gold-Finance Industrial Group Co., Limited, which in turn, is wholly-owned by Zhejiang Jin Cheng. Zhejiang Jin Cheng is wholly-owned by Xin Yu Jin Cheng. As at the Latest Practicable Date, (i) Mr. Wei Jie, a Director, is a director of Gold-Finance (Hong Kong) Asset Management Limited and Gold-Finance Industrial Group Co., Limited; and (ii) Ms. Xu Li Yun, a Director, is a director of Zhejiang Jin Cheng and Xin Yu Jin Cheng.
- Xin Yu Jin Cheng is owned as to 95.78% by Mr. Wei Jie, who is deemed to be interested in the 2,200,000,000 Shares owned by Gold-Finance (Hong Kong) Asset Management Limited by virtue of the SFO.
- Gold-Finance (Holdings) Group Co. Limited is owned as to 45.51% by Hengyuan Holdings Group Co. Ltd, which in turn, is wholly-owned by Mr. Wei Jie, who is deemed to be interested in the 800,000,000 Shares owned by Gold-Finance (Holdings) Group Co. Limited by virtue of the SFO. As at the Latest Practicable Date, (i) Mr. Wei Jie, a Director, is a director of Gold-Finance (Holdings) Group Co. Limited and Hengyuan Holdings Group Co. Ltd; and (ii) Ms. Xu Li Yun, a Director, is a director of Gold-Finance (Holdings) Group Co. Limited.

Save as disclosed above, as at the Latest Practicable Date, no person, other than the Directors and chief executive of the Company whose interests are set out in the section Directors' interest in Shares, underlying Shares and debentures of the Company or associated corporations above, had notified the Company of an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the Group at the material time, were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) assignment dated 16 November 2015 entered into between Fungs E & M Engineering Company Limited, a wholly-owned subsidiary of the Company, as vendor and Yau Lan Fong Ivy and Wang Jinde (both were independent third parties) as purchasers in relation to the assignment of Unit H5 on the 11th Floor, Summit Building, No. 30 Man Yue Street, Nos. 21 & 23, Tai Wan Road, Kowloon, Hong Kong at a consideration of HK\$5,000,000;
- (b) In June 2016, the Company entered into a memorandum of understanding with Ms. Chan Kit Ying Catherine ("**Ms. Chan**"), an independent third party who owns 75% equity interest in Cambodian Labor Care Plc ("**CLC Plc**"), a private company incorporated in the Kingdom of Cambodia ("**Cambodia**"), for the acquisition of 20% equity interest in CLC Plc from Ms. Chan at a consideration of US\$6.5 million (equivalent to approximately HK\$50.5 million) ("**Cambodia Acquisition**").

CLC Plc is a money lending company in Cambodia and aims at providing microfinance to factory workers. The Cambodia Acquisition was completed in April 2017.

- (c) Hangzhou Jinkai Yuanguan Investment Management Company Limited* (杭州金開圓觀投資管理有限公司) ("**Jinkai Yuanguan**") executed an application letter dated 3 October 2016 to contribute an aggregate sum of RMB200 million for the subscription of the participating shares of the Zhongxing New Town Industrial Investment Private Fund* (中興新城鎮產業投資私募基金) (the "**New Town Fund**") as a limited partner;

- (d) Jinkai Yuanguan (as purchaser) entered into a share purchase agreement dated 14 October 2016 with Zhejiang Chengze Jinkai Investment Management Company Limited* (浙江誠澤金開投資管理有限公司) (“**Chengze Jinkai**”) (as vendor), a limited liability company incorporated in the PRC under the control of Mr. Wei Jie, an executive Director and the controlling Shareholder, in relation to the acquisition of 100% equity interests in Hangzhou Jin Zhong Xing Investment Management Company Limited* (杭州金仲興投資管理有限公司) (“**Jin Zhong Xing**”) at a consideration of RMB1 million;
- (e) Jinkai Yuanguan entered into a limited partnership agreement dated 18 October 2016 (as amended on 11 April 2017) with the general partner of the New Town Fund and Beijing Fukesen Investment Management Company Limited* (北京福克森投資管理有限公司), another limited partner of the New Town Fund, in relation to the formation of the New Town Fund for a contribution amount of RMB200 million;
- (f) Jin Zhong Xing entered into a memorandum of understanding dated 11 January 2017 with Miluo City Jinze Duanwu Culture Industry Development Company Limited* (汨羅市金澤端午文化產業發展有限公司), a limited liability company established in the PRC and jointly formed by the government of Miluo City, Hunan province, the PRC and Hangzhou Jincheng New Town Investment Group Limited Company* (杭州金誠新城鎮投資集團有限公司) (“**Hangzhou Jincheng**”), a company under the control of Mr. Wei Jie, an executive Director and the controlling Shareholder, in relation to the possible creation of a private equity fund (the “**2017 Fund**”) whereby Jin Zhong Xing shall be responsible for the creation and operation of the 2017 Fund and shall receive an annual management fee of approximately 2% of the aggregate sum of capital raised by the 2017 Fund;
- (g) the Company entered into a memorandum of understanding dated 7 April 2017 with Lion Trust (Singapore) Limited (the “**Lion Trust**”), a company incorporated with limited liability under the laws of Singapore, pursuant to which but conditional upon the entering into a formal agreement, the Company intended to issue and Lion Trust intended to subscribe for the convertible bonds (the “**Convertible Bonds**”) of the Company in the aggregate amount of US\$26 million. The Company subsequently entered into a subscription agreement with Lion Trust in relation to the Convertible Bonds, pursuant to which the Company conditionally agreed to issue and Lion Trust conditionally agreed to subscribe for the Convertible Bonds in the principal amount of US\$7.33 million, which would entitle the holder thereof to subscribe for 37,871,666 Shares at the initial conversion price of HK\$1.50 per conversion share. The subscription was completed in June 2017;

- (h) the Company (as purchaser) entered into a share purchase agreement dated 9 June 2017 with Bao Ming (Holdings) Group Co. Ltd (“**Bao Ming Holdings**”) (as vendor), which is indirect wholly-owned by Mr. Wei, an executive Director and the controlling Shareholder, pursuant to which the Company agreed to acquire and Bao Ming Holdings agreed to sell the entire equity interest in Bao Ming (BVI) Group Co. Ltd at the consideration of US\$1.00. The acquisition was completed on the same day;
- (i) Jinkai Yuanguan entered into a framework agreement dated 20 June 2017 with Zhejiang Jin Guan Cheng Asset Management Company Limited* (浙江金觀誠財富管理有限公司) (“**Jin Guan Cheng**”), a company established in the PRC with limited liability and under the control of Mr. Wei Jie, an executive Director and the controlling Shareholder, in relation to the provision of sales and customer services by Jin Guan Cheng to Jinkai Yuanguan and its subsidiaries for a term of 33 months commencing from 1 July 2017 and ending on 31 March 2020. The framework agreement was approved by ordinary resolutions at the extraordinary general meeting of the Company held on 28 August 2017;
- (j) Yang Zhou You Xiang Science & Technology Co., Ltd.* (揚州有象物聯科技有限公司) entered into a land use rights grant contract dated 7 September 2017 with Gaoyou City Land Resources Bureau* (高郵市國土資源局) in relation to the acquisition of the land use rights of two parcels of land in Song Qiao Town, Li Gu Village and Song Qiao Town, Xiao Ci Village, Gaoyou City, Jiangsu Province, the PRC at a consideration of RMB22.45 million and RMB24.8 million respectively. The acquisition was completed on the same day;
- (k) Xiang Shan Bao Ming Sport & Culture Development Co., Ltd.* (象山寶明體育文化發展有限公司) entered into a land use rights grant contract dated 13 September 2017 with Xiang Shan County Land Resources Bureau* (象山縣國土資源局) in relation to the acquisition of the land use rights of a parcel of land in Xiang Shan County, Ningbo City, Zhejiang Province, the PRC at a consideration of RMB69.15 million. The acquisition was completed on the same day;
- (l) the Lender (as lender) entered into a loan agreement dated 29 September 2017 with Wuxi Baoming Travel and Development Co. Limited* (無錫寶明旅遊發展有限公司) (as borrower), an indirectly wholly-owned subsidiary of the Company, in relation to the provision of an unsecured loan of RMB110 million for a duration of three years at an interest rate of 6% per annum;
- (m) the Lender (as lender) entered into a loan agreement dated 25 October 2017 with Baoming Real Estate (Suzhou) Company Limited* (寶明地產(蘇州)有限公司) (as borrower), an indirectly wholly-owned subsidiary of the Company, in relation to the provision of an unsecured loan of RMB60 million for a duration of three years at an interest rate of 6% per annum;
- (n) the Lender (as lender) entered into a facility agreement dated 30 October 2017 with Baoming Real Estate (Suzhou) Company Limited* (寶明地產(蘇州)有限公司) (as borrower), an indirectly wholly-owned subsidiary of the Company, in

relation to the provision of an unsecured facility of RMB200 million for a duration of three years from the date of drawdown at an interest rate of 6% per annum;

- (o) Yang Zhou Jincheng Star Commercial Development Co., Ltd.* (揚州金誠之星商業發展有限公司), entered into a land use rights grant contract dated 6 November 2017 with Gaoyou City Land Resources Bureau* (高郵市國土資源局) in relation to the acquisition of the land use rights of a parcel of land in Gaoyou City, Jiangsu Province, the PRC at a consideration of RMB33.99 million; and
- (p) the Land Use Rights Grant Contract.

Save as disclosed above, no contract (not being a contract entered into in the ordinary course of business carried on by the Group) has been entered into by any member of the Group within two years preceding the date of this circular which is or may be material.

5. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Royson Valuation Advisory Limited	Qualified Property Valuer
L & H Law Firm	Legal adviser of the Company in PRC Law

Each expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of the text of its letter and/or report and/or the references to its name in the form and context in which they appear herein.

As at the Latest Practicable Date, each expert did not have any direct or indirect interest in any assets which had since 31 March 2017 (being the date which the latest published audited financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, each expert was not beneficially interested in the share capital of any member of the Group nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

6. LITIGATION AND CLAIMS

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigations or claims and no litigations or claims of material importance was pending or threatened against the Company or any member of the Group.

7. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

Save as the transactions set out below, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group, nor has any Director or their respective associates had any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 March 2017, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Related parties	Relationship	Transactions	Consideration or annual caps
Jin Guan Cheng	Jin Guan Cheng is a company indirectly wholly-owned by Mr. Wei Jie	Provision of (i) sales and marketing services by Jin Guan Cheng to the Group, which primarily include procuring fund investors to subscribe or apply for limited partnership interests in the funds (the "Funds") established and operated by the Group, facilitating the fund investors to redeem their limited partnership interests in the Funds (if applicable), assessing the fund investors' risk tolerance level, reviewing the information of the fund investors and assisting the fund investors in executing the required documentation for investment in the Funds; and (ii) customer services by Jin Guan Cheng to the Group which primarily include handling enquiries and complaints from the fund investors regarding the Funds or their investment in the Funds, and providing the fund investors transaction confirmations, marketing materials, etc.	For the period from 1 July 2017 to 31 March 2018: RMB28.6 million For the period from 1 April 2018 to 31 March 2019: RMB62.1 million For the period from 1 April 2019 to 31 March 2020: RMB65.5 million

Related parties	Relationship	Transactions	Consideration or annual caps
Lender	Lender is a company indirectly owned and controlled by, among others, Mr. Wei Jie and Ms. Xu Li Yun	Two loan agreements entered into between the Lender and two indirectly wholly-owned subsidiaries of the Company for providing the unsecured Loans by the Lender to the indirectly wholly-owned subsidiaries of the Company	RMB110 million and RMB60 million with an interest rate of 6% per annum
Lender	Lender is a company indirectly owned and controlled by, among others, Mr. Wei Jie and Ms. Xu Li Yun	A facility agreement entered into between the Lender and an indirect wholly-owned subsidiary of the Company for providing an unsecured facility by the Lender to the indirect wholly-owned subsidiary of the Company	RMB200 million with an interest rate of 6% per annum

8. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, Mr. Wei Jie and Ms. Xu Li Yun have interests in the following businesses which are considered to compete or likely to compete, either directly or indirectly, with the business of the Group other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or the Group.

Name of entity which are considered to compete or likely to compete with the business of the Group (the "Competing Companies")	Description of business	Shareholding of Mr. Wei Jie (including indirect interests)	Shareholding of Ms. Xu Li Yun (including indirect interests)
Jin Guan Cheng	Sale of funds and financial products and wealth management	100%	—
杭州觀復投資管理合夥企業 (有限合夥) (Hangzhou Guanfu Investment Management Partnership (Limited Partnership)*)	Investment management	100%	—

Name of entity which are considered to compete or likely to compete with the business of the Group (the “Competing Companies”)	Description of business	Shareholding of Mr. Wei Jie (including indirect interests)	Shareholding of Ms. Xu Li Yun (including indirect interests)
杭州金轉源投資管理合夥企業 (有限合夥) (Hangzhou Jin Zhuan Yuan Investment Management Partnership (Limited Partnership)*)	Investment management	47.62%	52.83%
新余觀復投資管理有限公司 (Xinyu Guanfu Investment Management Co., Ltd.*)	Enterprise investment management and asset management	100%	—
Zhejiang Jin Cheng (Note 1)	Investment and asset management and investment consultation	95.78%	4.22%
Chengze Jinkai	Investment management and investment consultation	100%	—
湖州吳興興卓投資發展有限公司 (Huzhou Wu Xing Xing Zhuo Development Company Limited*)	Private equity and infrastructure investment with property investment and development business in Zhejiang province, the PRC	88%	2%
杭州運星投資管理有限公司 (Hangzhou Yun Xing Investment Management Company Limited*)	Investment management with property investment and development business in Zhejiang province, the PRC	49%	1%
杭州觀岳實業投資有限公司 (Hangzhou Guan Yue Shi Ye Investment Company Limited*)	Investment management with property investment and development business in Zhejiang province, the PRC	97%	2%

Name of entity which are considered to compete or likely to compete with the business of the Group (the “Competing Companies”)	Description of business	Shareholding of Mr. Wei Jie (including indirect interests)	Shareholding of Ms. Xu Li Yun (including indirect interests)
蘇州觀澤投資管理有限公司 (Suzhou Guan Ze Investment Management Company Limited*)	Investment management with property investment and development business in Jiangsu province, the PRC	98%	2%
新沂市金誠觀復置業有限公司 (Xinyi City Jin Cheng Guan Fu Zhi Ye Company Limited*)	Property investment and development with property investment and development business in Jiangsu province, the PRC	78%	2%

Note:

1. Zhejiang Jin Cheng is a controlling Shareholder through its interests in Gold-Finance Industrial Group Co., Limited which wholly owns Gold-Finance (Hong Kong) Asset Management Limited, which directly holds 2,200,000,000 Shares, representing 55% of the issued share capital of the Company.

As at the Latest Practicable Date, other than Mr. Wei Jie (a director at Xinyu Guanfu Investment Management Co., Ltd., Chengze Jinkai, Huzhou Wu Xing Xing Zhuo Development Company Limited, and Hangzhou Guan Yue Shi Ye Investment Company Limited) and Ms. Xu Li Yun (a director at Zhejiang Jin Cheng and Huzhou Wu Xing Xing Zhuo Development Company Limited and a partner at Hangzhou Jin Zhuan Yuan Investment Management Partnership (Limited Partnership)), there is no overlap in the directorship and partnership among the Company and the Competing Companies.

The Directors consider that the Board can operate independently from the Competing Companies, because (i) pursuant to the articles of association of the Company, a Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution); and (ii) the Directors are fully aware of their fiduciary duties owing to the shareholders of the respective companies and their duty to avoid conflicts to the shareholders of the respective companies and their duty to avoid conflicts of interests in carrying out their respective duties as directors of the relevant companies.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

9. GENERAL

- (a) The registered office of the Company is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (b) The head office and principal place of business is located at 2806–2807, 28/F., Champion Tower, 3 Garden Road, Central, Hong Kong.
- (c) The principal share registrar and transfer office is Estera Trust (Cayman) Limited, which is located at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (d) The Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, which is located at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (e) The secretary of the Company is Mr. Wong Kam Ting, who is a member of the Hong Kong Institute of Certified Public Accountants.

In the event of any inconsistency, the English text of this circular prevails over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company’s principal place of business in Hong Kong at 2806–2807, 28/F., Champion Tower, 3 Garden Road Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company containing audited consolidated financial statements of the Company for the two years ended 31 March 2017;
- (c) the material contracts referred to in the section headed “Material Contracts” in this appendix;
- (d) the Property Valuation Report, the text of which is set out in Appendix III to this circular;
- (e) the written consents referred to in the section headed “Expert and Consent” in this appendix;

- (f) a copy of each circular issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts; and
- (g) this circular.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Royson Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 30 October 2017 of the property interests.



Royson Valuation Advisory Limited
9/F, Fung House
19–20 Connaught Road Central
Central, Hong Kong

20 November 2017

The Board of Directors
Gold-Finance Holdings Limited
2806–2807, 28/F, Champion Tower
3 Garden Road,
Central, Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to value property interests to be acquired by Gold-Finance Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 30 October 2017 (referred to as the “**Valuation Date**”).

This letter which forms part of our valuation explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s — length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION METHODOLOGY

We have valued the property interests of the property on market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

VALUATION CONSIDERATIONS

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2012 Edition published by The Hong Kong Institute of Surveyors.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificates attached herewith.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. We have not examined the original documents to verify the existing title to the property interests and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, L & H Law Firm (浙江六和律師事務所), concerning the validity of the Group's title to the property interests located in the PRC.

All legal documents provided by the Group have been used for reference only. No responsibility regarding legal title to the property interests is assumed in this valuation certificate.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the property was carried out on 10 October 2017 by Mr. Liang Zhipeng (BBA (Acc)), who has two years' experience in property valuation.

We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation is limited to the client to whom this valuation is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this valuation are in Renminbi (RMB).

Our valuation certificate is herewith attached.

Yours faithfully,
For and on behalf of
Royson Valuation Advisory Limited

Ian Ng
MHKIS RPS(GP)
Associate Director

Mr. Ian Ng is a Registered Professional Surveyor with over 10 years' experience in valuation of properties in HKSAR, Macau SAR and mainland China. Mr. Ng is a Professional Member of The Hong Kong Institute of Surveyors.

VALUATION CERTIFICATE

Property interests to be acquired by the Group for future development in the PRC

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 30 October 2017
A parcel of land (Lot: Yue Jun Tu Wang Gua (2017) No.04) located at Southern side of Dongting Road, Eastern side of Lvyou Road, Junshan District, Yueyang City, Hunan Province, the PRC (位於中國湖北省岳陽市君山區旅遊路以東，洞庭大道以南之一塊土地(宗地：岳君土網掛(2017)04號))	The property comprises a parcel of land with an area of approximately 138,648.01 sq.m. The property is situated on Dongting Road at its junction with Lvyou Road in the Junshan District in Yueyang City. Developments in vicinity are mainly residential and tourism developments. The land use rights of the property were contracted to be granted for terms of 40 years and 70 years for commercial and residential uses respectively.	The property is currently vacant.	No Commercial Value

Notes:

- (1) Pursuant to a listing announcement dated 29 September 2017 by Yueyang City Public Resources Transaction Centre (岳陽市公共資源交易中心) of the transfer of the land use rights of the property, the development conditions of the property are set out as follows:

Lot	:	Yue Jun Tu Wang Gua (2017) No.04
Site Area	:	138,648.01 sq.m.
Plot Ratio	:	Not greater than 2.15
Maximum Developable Plot Ratio Gross Floor Area	:	Approximately 298,093 sq.m. (Approximately 188,330 sq.m. for commercial use; approximately 109,413 sq.m. for residential use; and approximately 350 sq.m. for management office use)
Land Use and Tenure	:	40 years and 70 years for commercial and residential uses respectively
Coverage Ratio	:	Not greater than 26%
Greenery Ratio:	:	Not less than 30%
Height Limit	:	Not greater than 100 metres and 80 metres for commercial and residential buildings respectively

- (2) We have attributed no commercial value to the property as the land use rights certificate has not yet issued. For reference purpose, we are of the opinion that the market value of the property in its existing state, assuming that the land use rights certificate has been granted and land premium has been fully settled, as at the Valuation Date, would be RMB160,000,000.
- (3) Pursuant to a Confirmation Note of Listing Transaction of the property entered into between Yueyang City Public Resources Transaction Centre (“**Party A**”) and Yueyang Baoming Real Estate Development Co., Ltd. (岳陽寶明置業發展有限公司) (“**Party B**”), an indirect wholly-owned subsidiary of the Company, Party A confirmed that Party B has made a successful bid for acquisition of the property (Lot: Yue Jun Tu Wang Gua (2017) No.04) at a land premium of RMB158,000,000.
- (4) Pursuant to a State-owned Land Use Rights Grant Contract dated 14 November 2017 entered into between Junshan District of Yueyang City Bureau of Land and Resources (岳陽市國土資源局君山區分局) and Party B, the land use rights of a land parcel with an area of approximately 138,648.01 sq.m. were contracted to be transferred to Party B for terms of 40 years and 70 years for commercial and residential uses respectively.
- (5) We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
 - (i) Party B has legally obtained the Notification of Confirmation of successful bid of the property;
 - (ii) Party B has signed the Land Use Rights Grant Contract. Upon payment of land premium, Party B has no legal impediment in obtaining the State-owned Land Use Rights Certificate and the ownership of the property; and
 - (iii) Upon the settlement of the land premium, the completion of the land registration procedure and the issue of the State-owned Land Use Rights Certificates, Party B has no legal impediment in obtaining planning approvals and permits in respect of the development of the property.