

TARGET

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GOLDIN FINANCIAL HOLDINGS LTD: ALL THAT GLISTENS MAY NOT BE GOLDIN

Goldin Financial Holdings Ltd (高銀金融[集團]有限公司) (Code: 530, Main Board, The Stock Exchange of Hongkong Ltd) has been put on notice that, should the company be unable to ‘procure the payment of all outstanding amounts owing by the Company to the Petitioner (DB Trustees (Hongkong) Ltd [德意志信託(香港)有限公司]) on or before 12 May 2022 (Bermuda time),’ the Supreme Court of Bermuda ‘shall grant an order to appoint joint provisional liquidators of the Company with effect from 13 May 2022 (Hong Kong time).’

The above-stated threat, determined by the Supreme Court of Bermuda, was contained in an announcement, headlined ‘**INSIDE INFORMATION**’, published by Goldin Financial Holdings Ltd, dated Thursday, March 31, 2022, signed by Ms Shirley Hui Wai Man (許惠敏), Executive Director of the Company.

DB Trustees (Hongkong) Ltd presented a Winding-Up Petition in respect of Goldin Financial Holdings Ltd to the Supreme Court of Bermuda on August 7, 2020.

At Page Five of the ‘**ANNOUNCEMENT OF SECOND UNAUDITED INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 30 JUNE 2021**’ of Goldin Financial Holdings Ltd, dated August 30, 2021, it was stated, inter alia, under the subheading, ‘**Deconsolidation of Subsidiaries:**

‘On 13 July 2020, in connection with an aggregate amount of HK\$6,800 million two-year senior notes (the “Senior Notes”), Smart Edge Limited (賜譽有限公司) (“Smart Edge”) received notifications concerning the appointment of Cosimo Borrelli (“Mr. Borrelli”) and Ma Siu Ming Simon (“Mr. Simon Ma”, together with Mr. Borrelli, the “Receivers”) as joint and several receivers and managers over the security assets provided under the Senior Notes, including the Group’s investment properties with an aggregate value of HK\$15 billion as at 30 June 2020, and the appointment of Mr. Borrelli, Mr. Simon Ma and Chi Lai Man Jocelyn (徐麗雯) (“Ms. Jocelyn Chi”) as new directors of Smart Edge in place of the former directors of Smart Edge (the “SE Former Directors”). Further details are set out in the Company’s announcement dated 15 July 2020.

*‘On 7 October 2020, in connection with the loan facilities with principal amounts of approximately HK\$3,378 million (the “**Mezzanine Loan**”), the Company received notification from its Bermuda agent of a petition dated 7 August 2020 (the “**Winding-up Petition**”) and an application (the “**JPL Application**”) presented by the security agent of the Mezzanine Loan to the Supreme Court of Bermuda for the winding-up and the appointment of joint provisional liquidators of the Company, respectively. The hearing of the Winding-up Petition and the JPL Application scheduled on 6 August 2021 was further adjourned to 3 September 2021 upon the joint application of the Petitioner and the Company. In addition, on 8 October 2020, Cheng Mei Holdings Limited (成美控股有限公司) (“**Cheng Mei**”) and Goal Eagle Limited (“**Goal Eagle**”) also received notifications from the security agent of the Mezzanine Loan that joint receivers have been appointed to Cheng Mei and Goal Eagle over the security assets provided under the Mezzanine Loan. Further details are set out in the Company’s announcements dated 11 October 2020, 16 October 2020, 1 November 2020, 25 November 2020, 8 December 2020, 10 January 2021, 15 February 2021, 21 March 2021, 20 April 2021, 2 May 2021, 9 May 2021, 27 May 2021 and 14 June 2021.*

*‘Given the above circumstances, the Group has lost control over the operations of Smart Edge, Cheng Mei and Goal Eagle (collectively the “**Deconsolidated Subsidiaries**”) and the directors of the Group have determined to exclude the financial position, results and cash flows of the Deconsolidated Subsidiaries from the Group’s condensed consolidated financial statements as at and for the twelve months period ended 30 June 2021. Hence Smart Edge has been deconsolidated with effect from 13 July 2020, while Cheng Mei and Goal Eagle have been deconsolidated with effect from 7 October 2020, in the condensed consolidated financial statements. The net assets of the Deconsolidated Subsidiaries were recognised as financial assets at fair value through profit or loss in the condensed consolidated statement of financial position at fair value with net changes in fair value recognised in the condensed consolidated statement of profit or loss.*

‘Going concern basis

‘For the twelve months ended 30 June 2021, the Group reported a net loss of approximately HK\$1,398.2 million. As at 30 June 2021, the Group had commitment for Solar Time (Solar Time Developments Ltd) Acquisition and had total bank and other borrowings and accrued loan interest and charges payables of approximately HK\$1,998.1 million and HK\$19.5 million, respectively, which were repayable within 12 months from 30 June 2021. As at 30 June 2021, the Senior Notes and the Mezzanine Loan, which were overdue and repayable on demand, as the Group had breached certain financial covenants in respect of these loan facilities.

‘In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will

have sufficient financial resources to continue as a going concern. The Group has implemented, or is in the process of implementing, the following plans, and measures to mitigate the liquidity pressure and to improve its financial position:

- (i) On 23 December 2020, it was confirmed to the Group by the Receivers that the Receivers and an independent third party (“**the Purchaser**”) have entered into a sale and purchase agreement (the “**SE Disposal Agreement**”) in respect of 100% equity interest of Smart Edge (the “**SE Disposal**”). The Receivers have informed the Company that (i) the funds to be received by the Receivers pursuant to the SE Disposal Agreement will be sufficient to settle all outstanding indebtedness in relation to the Senior Notes and the Mezzanine Loan in full; and (ii) the Purchaser has paid very substantial non-refundable deposits pursuant to the terms of the SE Disposal Agreement. Further to the SE Disposal Agreement, the Receivers informed the Company on 18 May 2021 that an agreement in respect of all the Ordinary Shares of Smart Edge (the “**Charged Shares**”) was entered into between the Receivers and the Purchaser on 12 May 2021 (the “**May 2021 Agreement**”). The Receivers also informed that (i) the Purchaser has paid a substantial non-refundable deposit in respect of the May 2021 Agreement; (ii) the completion date of the May 2021 Agreement is 31 August 2021; and (iii) completion of the May 2021 Agreement will enable full repayment of the amount owed by Goal Eagle and Cheng Mei to the lenders of the Loan. The Board is confident that once the May 2021 Agreement has been duly completed, all legal proceedings relating to the Senior Notes and the Mezzanine Loan, as well as the Winding-Up Petition will be resolved amicably.*
- (ii) On ... [CLICK TO ORDER FULL ARTICLE](#)*

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