



SECOND INTERIM REPORT
2009



GOLDIN FINANCIAL HOLDINGS LIMITED
高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 00530)

* For identification purposes only

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CORPORATE INFORMATION

Directors

Pan Sutong (*Chairman*)¹
Wong Hau Yan, Helvin
Zhou Dengchao
Hou Qin
Wang Zhixiong²
Du Peng³
Huang Xiaojian¹
Tso Hon Sai, Bosco⁴
Hui Wai Man, Shirley⁴
Tang Yiu Wing⁴

¹ Non-executive Directors

² Resigned on 4 January 2010

³ Resigned on 1 February 2010

⁴ Independent Non-executive Directors

Company Secretary

Cheng Wing Tsan

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Hong Kong Principal Place of Business

22/F, Two International Finance Centre,
8 Finance Street, Central
Hong Kong

Principal Banker

The Hongkong and Shanghai Banking
Corporation Limited
Bank of China (Hong Kong) Limited

Share Registrar and Transfer Offices

Principal:

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre
11 Bermudiana Road
Pembroke HM08
Bermuda

Hong Kong Branch:

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East, Wanchai
Hong Kong

Stock Code

00530

Website

www.goldinfinancial.com

The board of directors (the “Board” or the “Directors”) of Goldin Financial Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months and the twelve months ended 31 December 2009 together with comparative figures for the corresponding periods in 2008 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the periods ended 31 December 2009

	Notes	Six months ended 31 December		Twelve months ended 31 December	
		2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Continuing operations					
Revenue	3	56,698	6,977	63,403	14,561
Cost of sales		(9,737)	(2,407)	(12,386)	(4,925)
Gross profit		46,961	4,570	51,017	9,636
Other income	4	60	218	244	274
Selling and distribution expenses		(49)	(18)	(112)	(44)
Administrative expenses		(28,446)	(13,065)	(47,023)	(20,671)
Gain on disposal of subsidiaries		9	–	1,172	–
Other expenses		(1)	(41)	(1)	(41)
Financial costs		(162)	(2)	(162)	(2)
Profit (loss) before tax		18,372	(8,338)	5,135	(10,848)
Income tax (expense) credit	5	(2,308)	48	(2,272)	(51)
Profit (loss) from continuing operations		16,064	(8,290)	2,863	(10,899)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME*(Continued)**For the periods ended 31 December 2009*

	Notes	Six months ended 31 December		Twelve months ended 31 December	
		2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Discontinued operations					
Profits (loss) from discontinued operations	6	1,591	(53,087)	4,453	(136,611)
Profits (loss) for the period	7	17,655	(61,377)	7,316	(147,510)
Other comprehensive income					
Exchange differences arising from translation of foreign operations		1,023	–	1,023	–
Total comprehensive income (expenses) for the period		18,678	(61,377)	8,339	(147,510)
Earnings (loss) per share					
From continuing and discontinued operations	9				
Basic (HK cents)		1.17	(92.02)	0.83	(331.86)
Diluted (HK cents)		1.15	N/A	0.80	N/A
From continuing operations					
Basic (HK cents)		1.07	(12.43)	0.32	(24.52)
Diluted (HK cents)		1.05	N/A	0.31	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	Notes	31 December 2009 HK\$'000 (Unaudited)	31 December 2008 HK\$'000 (Audited)
Non-current assets			
Plant and equipment		739	727
Investment properties	10	–	18,680
Earnest money	11	–	56,689
		739	76,096
Current assets			
Inventories		157	137
Trade receivables, prepayments and other deposits	12	961,193	1,581
Financial assets at fair value through profit or loss	13	9,697	–
Bank balances and cash		2,358,141	20,757
		3,329,188	22,475
Current liabilities			
Trade payables, accruals, other deposits and receipt in advance	14	139,424	6,015
Provision for onerous contract		4,715	2,555
Amounts due to minority shareholders of a subsidiary	15	–	1,160
Other borrowing	16	1,414	–
Tax payable		2,343	2,302
		147,896	12,032
Net current assets		3,181,292	10,443
Total assets less current liabilities		3,182,031	86,539
Capital and reserves			
Share capital	17	332,018	73,450
Share premium and reserves		2,850,013	12,351
Total equity		3,182,031	85,801
Non-current liabilities			
Deferred tax liabilities		–	738
		3,182,031	86,539

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2009

	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Contributed surplus HK\$'000	Translation reserve HK\$'000	Option reserve HK\$'000	(Accumulated losses) retained profits HK\$'000	Sub-total HK\$'000	Minority interests HK\$'000	Total HK\$'000
Balance at 1 January 2008 (audited)	12,242	86,370	-	202,809	-	-	(126,898)	174,523	-	174,523
Loss for the period, representing total comprehensive expenses for the period	-	-	-	-	-	-	(147,510)	(147,510)	-	(147,510)
Issue of new shares (Note 17)	61,208	-	-	-	-	-	-	61,208	-	61,208
Transaction costs attributable to issue of new shares	-	(2,420)	-	-	-	-	-	(2,420)	-	(2,420)
Balance at 31 December 2008 (audited)	73,450	83,950	-	202,809	-	-	(274,408)	85,801	-	85,801
Exchange differences arising from translation of foreign operations	-	-	-	-	1,023	-	-	1,023	-	1,023
Profit for the period	-	-	-	-	-	-	7,316	7,316	-	7,316
Total comprehensive income for the period	-	-	-	-	1,023	-	7,316	8,339	-	8,339
Reduction in share capital (Note 17)	(66,404)	-	-	66,404	-	-	-	-	-	-
Transfer (Note 17)	-	-	-	(269,213)	-	-	269,213	-	-	-
Issue of new shares (Note 17)	324,972	2,787,908	-	-	-	-	-	3,112,880	-	3,112,880
Transaction costs attributable to issue of new shares	-	(34,638)	-	-	-	-	-	(34,638)	-	(34,638)
Recognition of equity-settled share-based payments	-	-	-	-	-	9,649	-	9,649	-	9,649
Lapse of share options	-	-	-	-	-	(5)	5	-	-	-
Balance at 31 December 2009 (unaudited)	332,018	2,837,220	-	-	1,023	9,644	2,126	3,182,031	-	3,182,031

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW*For the period ended 31 December 2009*

	Twelve months ended 31 December	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Net cash used in operating activities	(818,119)	(85,914)
Net cash generated from investing activities		
Purchase of plant and equipment	(320)	(204)
Proceeds from disposal of plant and equipment	–	224
Earnest money paid	–	(56,689)
Refund of earnest money	56,689	–
Interests received	25	163
Disposal of subsidiaries	19,600	59,932
	75,994	3,426
Net cash generated from financing activities		
Proceed from other borrowing	21,100	–
Repayment of other borrowing	(19,686)	–
Proceeds from issue of shares	3,112,880	61,208
Share issue expenses	(34,638)	(2,420)
Interest paid	(147)	(2)
	3,079,509	58,786
Net increase (decrease) in cash and cash equivalents	2,337,384	(23,702)
Cash and cash equivalents at beginning of the period	20,757	44,459
Cash and cash equivalents at end of the period, represented by bank balances and cash	2,358,141	20,757

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended 31 December 2009

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values, as appropriate.

A number of new or revised Standards and Interpretations are effective for the financial year beginning on 1 January 2009. Except as described below, the same accounting policy, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2008.

In the current period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new HKFRSs") issued by HKICPA which are effective for the Group's financial year beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the periods ended 31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The adoption of these new HKFRSs, except for HKAS 1 (Revised 2007) as described below, had no material effect on the results and financial position for the current or prior accounting periods which have been prepared and presented. Accordingly, no prior period adjustment has been recognised.

HKAS 1 (Revised 2007) separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present one single statement.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ⁵
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁴
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁵
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁶

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 January 2010

⁴ Effective for annual periods beginning on or after 1 February 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

⁶ Effective for annual periods beginning on or after 1 July 2010

⁷ Effective for annual periods beginning on or after 1 January 2013

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transactions. The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision makers, who are the executive directors of the Company, in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments.

The application of HKFRS 8 has no impact on the presentation of segment reporting and has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the periods ended 31 December 2009

3. SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue and results by operating segment for the periods under review:

	Revenue				Segment profit			
	Six months ended 31 December		Twelve months ended 31 December		Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Continuing operations								
Factoring	25,786	–	25,786	–	19,362	–	19,362	–
Financial investment	23,479	74	23,479	74	22,912	74	22,912	74
Operation of restaurant	7,433	6,903	14,138	14,487	(692)	(2,873)	(1,995)	(2,297)
Total for continuing operations	56,698	6,977	63,403	14,561	41,582	(2,799)	40,279	(2,223)
Unallocated other income					23	176	151	176
Central administration costs					(23,080)	(5,713)	(36,305)	(8,799)
Gain on disposal of subsidiaries					9	–	1,172	–
Finance cost					(162)	(2)	(162)	(2)
Profit (loss) before tax (continuing operations)					18,372	(8,338)	5,135	(10,848)
Discontinued operations								
Cruise and cruise-related operation	–	15,596	–	29,628	–	(48,339)	–	(139,646)
Trading of glass eel	–	–	–	37,658	–	–	–	4,323
Property investment	277	456	743	899	1,616	(4,544)	3,899	(654)
Total for discontinued operations	277	16,052	743	68,185	1,616	(52,883)	3,899	(135,977)
Interest income					–	11	1	78
Gain on disposal of subsidiaries					211	–	1,101	–
Profit (loss) before tax (discontinued operations)					1,827	(52,872)	5,001	(135,899)
Profit (loss) before tax (continuing and discontinued operations)					20,199	(61,210)	10,136	(146,747)
Income tax expenses (continuing and discontinued operations)					(2,544)	(167)	(2,820)	(763)
Consolidated revenue and profit (loss) for the period	56,975	23,029	64,146	82,746	17,655	(61,377)	7,316	(147,510)

All of the segment revenue reported above is from external customers. Segment profit represents the profit earned by each segment without allocation of central administration costs and interest income. This is the measure reported to the Group's executive directors for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(Continued)**For the periods ended 31 December 2009***4. OTHER INCOME**

	Six months ended 31 December		Twelve months ended 31 December	
	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Audited) (Restated)
Continuing operations				
Bank interest income	23	–	24	–
Other interest income	–	85	–	85
Others	37	133	220	189
	60	218	244	274
Discontinued operations				
Bank interest income	–	11	1	78
Others	–	–	–	4,429
	60	229	245	4,781

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

5. INCOME TAX (EXPENSE) CREDIT

	Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Continuing operations				
Current tax – Hong Kong Profits Tax				
Provision for the period	(2,308)	29	(2,308)	(70)
Overprovision in prior years	–	19	36	19
	(2,308)	48	(2,272)	(51)
Deferred taxation – current period	–	–	–	–
	(2,308)	48	(2,272)	(51)
Discontinued operations				
Current tax – Hong Kong Profits Tax				
Provision for the period	–	(150)	–	(150)
Overprovision in prior years	–	(760)	–	(760)
	–	(910)	–	(910)
Deferred taxation				
Current period	(236)	695	(548)	145
Attributable to a change in tax rate	–	–	–	53
	(236)	(215)	(548)	(712)
	(2,544)	(167)	(2,820)	(763)

Hong Kong Profit tax has been provided at the rate of 16.5% on the estimated assessable profits for the periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

6. DISCONTINUED OPERATIONS

On 16 October 2009, the Group entered into a sale agreement with an independent third party to dispose of the entire issued share capital of Lion Castle Limited ("Lion Castle") and its subsidiaries which carried out all of the Group's operations of property investment (the "Lion Castle Group"), and the entire shareholders' loan due to the Group by Lion Castle at a consideration of HK\$19,833,000. Accordingly, the business segment of property investment was classified as discontinued operation for the six months and twelve months periods ended 31 December 2009.

On 11 July 2008, the Group entered into an agreement with an independent third party to dispose of the entire issued share capital of Quick Treasure Investments Limited ("Quick Treasure") and the entire shareholders' loan due to the Group by Quick Treasure and its subsidiaries (collectively, the "Quick Treasure Group") at a consideration of approximately HK\$62,734,000. The Quick Treasure Group held cruise and cruise-related operation of the Group. The transaction was completed on 24 October 2008 on that date control of the Quick Treasure Group was passed to the acquirer. Accordingly, the business segment of cruise and cruise-related operation was classified as discontinued operation for the six months and twelve months periods ended 31 December 2008.

At end of March 2008, due to the reallocation of financial resources and changes in personnel, the Group ceased the business of trading in glass eel. Accordingly, the business segments of trading of glass eel was classified as discontinued operation for the six months and twelve months periods ended 31 December 2008.

The comparative figures of the discontinued operations for the six months and twelve months periods ended 31 December 2008 have been restated and comprised of the business segments of property investment, cruise and cruise-related operation and trading of glass eel business.

The profit (loss) for the period from the discontinued operations is analysed as follows:

	Six months ended		Twelve months ended	
	31 December		31 December	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited) (Restated)
Profit (loss) from discontinued operations for the period	1,380	(53,087)	3,352	(136,611)
Gain on disposal of discontinued operations	211	–	1,101	–
	1,591	(53,087)	4,453	(136,611)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the periods ended 31 December 2009

6. DISCONTINUED OPERATIONS (Continued)

The results of the discontinued operations for the period from 1 January 2009 to the effective date of disposal together with comparative figures, which have been included in the consolidated statement of comprehensive income and cash flow statement, are as follows:

	Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Revenue	277	16,052	743	68,185
Cost of sales	–	(24,249)	–	(95,529)
Gross profit (loss)	277	(8,197)	743	(27,344)
Other income	–	11	1	4,507
Selling and distribution expenses	–	(2,543)	–	(5,541)
Administrative expenses	(91)	(12,726)	(164)	(28,612)
Impairment loss on plant and equipment	–	(5,433)	–	(58,529)
Other expenses	–	(19,424)	–	(19,430)
Change in fair value of investment properties	1,430	(4,560)	3,320	(950)
Profit (loss) before tax	1,616	(52,872)	3,900	(135,899)
Income tax expense	(236)	(215)	(548)	(712)
Profit (loss) for the period	1,380	(53,087)	3,352	(136,611)
Cash flows from discontinued operations				
Net cash generated from (used in) operating activities	191	(40,369)	590	(79,342)
Net cash (used in) generated from investing activities	–	(1)	1	170
Net cash (used in) generated from financing activities	(18,851)	58,529	(18,779)	61,004
Net (decrease) increase in cash flows	(18,660)	18,159	(18,188)	(18,168)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the periods ended 31 December 2009

7. PROFIT (LOSS) FOR THE PERIOD

Profit (loss) for the period has been arrived at after charging (crediting):

	Six months ended 31 December						Twelve months ended 31 December					
	Continuing operations		Discontinued operations		Consolidated		Continuing operations		Discontinued operations		Consolidated	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited)
Depreciation	98	90	9	1,077	107	1,167	175	321	28	4,567	203	4,888
Net foreign exchange loss (gain)	149	310	-	(2)	149	308	149	310	-	(2)	149	308
Impairment loss on plant and equipment	-	-	-	5,432	-	5,432	-	-	-	58,528	-	58,528
Loss on disposal of plant and equipment	1	41	-	-	1	41	1	41	-	-	1	41
Deposits written off (included in other expenses)	-	-	-	-	-	-	-	-	-	6	-	6
Share based payment expenses	9,649	-	-	-	9,649	-	9,649	-	-	-	9,649	-

8. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the twelve months ended 31 December 2009 (2008: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

9. EARNINGS (LOSS) PER SHARE

For continuing and discontinued operations

The calculation of the basic earnings (loss) per share is based on the following data:

	Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Earnings (loss)				
Earnings (loss) for the purpose of basic and diluted earnings (loss) per share	17,655	(61,377)	7,316	(147,510)
Number of shares	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	1,502,845	66,698	883,867	44,449
Effect of dilutive share options	28,660	–	28,660	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	1,531,505	66,698	912,527	44,449

The weighted average number of ordinary shares for the purpose of calculation of basic and diluted earnings (loss) per share has been adjusted for share consolidation in May 2009 and the right issues in October 2008, June 2009 and November 2009.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(Continued)*

For the periods ended 31 December 2009

9. EARNINGS (LOSS) PER SHARE (Continued)**For continuing operations**

Earnings (loss) figures are calculated as follows:

	Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited) (Restated)
Profit (loss) for the period	17,655	(61,377)	7,316	(147,510)
Less: Profit (loss) for the period from discontinued operations	1,591	(53,087)	4,453	(136,611)
Earnings (loss) for the purposes of basic and diluted earning (loss) per share from continuing operations	16,064	(8,290)	2,863	(10,899)

The denominators used are the same as those detailed above for the calculation of basic earnings (loss) per share.

Diluted earnings (loss) per share is not presented for the six months and twelve months periods ended 31 December 2008 as there was no dilutive potential shares in issue during that periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

10. INVESTMENT PROPERTIES

HK\$'000

FAIR VALUE

At 1 January 2008 (audited)	19,630
Decrease in fair value	(950)
<hr/>	
At 31 December 2008 (audited)	18,680
Increase in fair value	3,320
Disposal during the period	(22,000)
<hr/>	
At 31 December 2009 (unaudited)	–

11. EARNEST MONEY

At 31 December 2008, the amount represented an earnest money of RMB50 million paid to two independent third parties (the "Vendors") for the proposed acquisition of the entire equity interest in Favor Mega Group Limited and its outstanding debts owing to its shareholders. Details of the proposed acquisition were set out in the Company's announcement dated 12 February 2009 and 17 March 2009, respectively. The earnest money was unsecured, non-interest bearing and repayable to the Company if no definitive agreement could be reached upon.

On 26 March 2009, the Group and the Vendors entered into a deed of termination (the "Deed of Termination") pursuant to which the Group agreed to pay the Vendors HK\$2 million in consideration of the Vendors agreeing to enter into the Deed of Termination and the Vendors and the Group unconditionally and irrevocably confirmed that the acquisition agreement dated 4 February 2009 (as amended by the supplemental agreement dated 17 March 2009) was terminated with effect from the date of the Deed of Termination. The earnest money was refunded to the Group during the period ended 31 December 2009.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(Continued)**For the periods ended 31 December 2009***12. TRADE RECEIVABLES, PREPAYMENTS AND OTHER DEPOSITS**

The Group allows a credit period from 90 days to 120 days to its trade customers.

At 31 December 2009, the balance of trade receivables amounts to approximately HK\$880,868,000 (31 December 2008: HK\$87,000). The following is an aged analysis of trade receivables, net of allowance for doubtful debts at the reporting date:

	31 December	
	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Audited)
Current to 90 days	717,287	87
91 to 120 days	98,085	–
121 to 180 days	65,496	–
	<hr/> 880,868	<hr/> 87

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December	
	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Audited)
Futures listed in Hong Kong, at fair value	9,697	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

14. TRADE PAYABLES

The following is an aged analysis of trade payables at the reporting date:

	31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited)
Current to 90 days	108,497	499
Over 90 days	24,538	–
	133,035	499

15. AMOUNTS DUE TO MINORITY SHAREHOLDERS OF A SUBSIDIARY

The amounts at 31 December 2008 were unsecured, interest free and repayable on demand. In the current period, the liabilities were discharged when the Group disposed of that subsidiary to an independent third party.

16. OTHER BORROWING

The amount at 31 December 2009 presents loan from an independent third party. The amount was unsecured, interest bearing at prime rate offered by Hong Kong and Shanghai Banking Corporation and repayable within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

17. SHARE CAPITAL

Ordinary shares	Number of shares	Share capital HK\$'000
<i>Authorised:</i>		
Shares of HK\$0.02 each at 1 January 2008 and 31 December 2008	12,500,000,000	250,000
Consolidation of shares and subdivision (<i>Note b</i>)	(10,000,000,000)	–
Increase during the period (<i>Note b</i>)	3,000,000,000	300,000
<hr/>		
Shares of HK\$0.10 each at 31 December 2009	5,500,000,000	550,000
<hr/>		
<i>Issued and fully paid:</i>		
Shares of HK\$0.02 each at 1 January 2008	612,081,819	12,242
Issue of new shares of HK\$0.02 each	3,060,409,095	61,208
<hr/>		
Shares of HK\$0.02 each at 31 December 2008	3,672,490,914	73,450
Issue of shares of HK\$0.02 each on subscription (<i>Note a</i>)	122,000,000	2,440
Shares repurchased and cancelled (<i>Note b</i>)	(34)	–
Shares consolidation (<i>Note b</i>)	(3,699,628,608)	–
Reduction in share capital (<i>Note b</i>)	–	(66,404)
Issue of shares of HK\$0.10 each on subscription of rights issue (<i>Note c</i>)	3,225,317,248	322,532
<hr/>		
Shares of HK\$0.10 each at 31 December 2009	3,320,179,520	332,018
<hr/>		
Preference shares		
<i>Authorised:</i>		
Shares of HK\$100,000 each at 1 January 2008, 31 December 2008 and 2009 (<i>Note d</i>)	500	50,000
<hr/>		

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the periods ended 31 December 2009

17. SHARE CAPITAL (Continued)

Notes:

- (a) On 6 January 2009, the Company entered into a subscription agreement with an independent third party (the "Subscriber") pursuant to which the Subscriber conditionally agreed to subscribe for 122,000,000 ordinary shares of HK\$0.02 each in the Company at a cash price of HK\$0.027 per share. The new shares were issued on 19 January 2009 and ranked *pari passu* with existing shares in all aspects.
- (b) In May 2009, the Company conducted a capital reorganisation (the "Capital Reorganisation") which involved (i) the consolidation of every 40 issued and unissued shares of HK\$0.02 each in the share capital of the Company into 1 consolidated share of HK\$0.80 each; (ii) the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.70 on each of the issued consolidated shares such that the nominal value of each issued consolidated share would be reduced from HK\$0.80 to HK\$0.10; (iii) the subdivision of each authorised but unissued consolidated share of HK\$0.80 each (including the unissued consolidated shares arising from the capital reduction) into 8 shares of HK\$0.10 each (the "New Shares"); (iv) the transfer of the credit arising from the capital reduction to the contributed surplus account of the Company; and (v) the application of the contributed surplus account of the Company to offset against the entire balance of the accumulated losses.

Upon the completion of the Capital Reorganisation, the authorised share capital of the Company was increased from HK\$300,000,000 divided into 2,500,000,000 New Shares and 500 convertible preference shares with a par value of HK\$100,000 each to HK\$600,000,000 divided into 5,500,000,000 New Shares and 500 convertible preference shares with a par value of HK\$100,000 each by the creation of 3,000,000,000 New Shares.

Fractional shares would be constituted upon the aforesaid Capital Reorganisation. In order to avoid the fractional shares, the Company repurchased 34 ordinary shares of the Company through the Stock Exchange for a consideration of HK\$0.019 per share and subsequently cancelled all the 34 ordinary shares of the Company on 20 February 2009. Details of the Capital Reorganisation is set out in the circular of the Company dated 20 April 2009 and the addendum to the circular dated 28 April 2009.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

17. SHARE CAPITAL (Continued)

Notes: (Continued)

(c) In June 2009, the Company issued and allotted 853,760,448 ordinary shares of HK\$0.10 each to the qualifying shareholders pursuant to the rights issue on the basis of nine rights shares for every share held as at 14 May 2009 at a subscription price of HK\$0.67 per share. The net proceeds of approximately HK\$562 million would be used for the development of the factoring business and as the general working capital of the Group.

In November 2009, the Company issued and allotted 2,371,556,800 ordinary shares of HK\$0.10 each to the qualifying shareholders pursuant to the rights issue on the basis of five rights shares for every two shares held as at 2 November 2009 at a subscription price of HK\$1.07 per share. The net proceeds of approximately HK\$2,513 million would be used for the development of the factoring business and as the general working capital of the Group.

The new shares issued pursuant to the rights issues above were ranked pari passu with existing shares in all aspects.

(d) Pursuant to an ordinary resolution passed at the special general meeting held on 20 January 2010, the authorised share capital of the Company was diminished from HK\$600,000,000 divided into 5,500,000,000 shares of HK\$0.10 par value each and 500 convertible preference shares of HK\$100,000 par value each to HK\$550,000,000 divided into 5,500,000,000 shares of HK\$0.10 par value each by the cancellation of 500 unissued convertible preference shares of HK\$100,000 par value each.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

18. SHARE BASED PAYMENT TRANSACTIONS

The Company has adopted a share option scheme (the "Scheme") on 28 January 2004 for the purpose of providing incentives or rewards to participants. During the period, the Company granted in aggregate of 90,100,000 share options to certain directors, employees and other eligible participants on 22 July 2009 and 23 July 2009 respectively under the Scheme. Details of options granted are as follows:

Date of grant	Exercise price per share (HK\$)	Exercisable period (dd.mm.yyyy)	No. of options granted
22 July 2009	0.654	22.7.2009 – 21.7.2019	3,000,000
	0.654	22.1.2010 – 21.7.2019	5,000,000
	0.654	22.1.2011 – 21.7.2019	5,000,000
	0.654	22.1.2012 – 21.7.2019	5,000,000
Subtotal			18,000,000
23 July 2009	0.652	23.7.2009 – 22.7.2019	1,000,000
	0.652	23.1.2010 – 22.7.2019	21,330,000
	0.652	23.1.2011 – 22.7.2019	21,330,000
	0.652	23.1.2012 – 22.7.2019	28,440,000
Subtotal			72,100,000
Total granted during the period			90,100,000

The vesting period of the share options is from the date of the grant until the commencement of the exercise period. During the period, no share options had been exercised and 50,000 options were lapsed.

The closing prices of the Company's share on 22 July 2009 and 23 July 2009, being the dates on which 90,100,000 share options were granted, were HK\$0.65 and HK\$0.64 respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS*(Continued)**For the periods ended 31 December 2009***18. SHARE BASED PAYMENT TRANSACTIONS** *(Continued)*

The Binomial model has been used to estimate the fair value of the options as at the grant dates. The estimated fair value of the options determined at the dates of grant using the Binomial model were approximately HK\$5,069,000 and HK\$17,251,000 respectively.

The following assumptions were used to calculate the fair value of the share options granted during the period:

	22 July 2009	23 July 2009
Closing price of the Company's share at grant date	HK\$0.65	HK\$0.64
Exercise price	HK\$0.654	HK\$0.652
Expected volatility	43.7%	43.7%
Risk-free interest rate	2.328%	2.35%
Expected dividend yield	0%	0%

The risk-free rate was based on the yield of the Hong Kong Exchange Fund Note. Expected volatility was determined by using the volatility of the stock return of comparable listed companies as at the valuation date.

The Binomial Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value are based on the directors' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

19. DISPOSAL OF SUBSIDIARIES

As explained in note 6, the Group disposed of its property investments business during the twelve months period. The net liabilities of Lion Castle Group together with other subsidiaries disposed during the twelve months period by the Group at the dates of disposals are as follow:

	Twelve months ended 31 December 2009
	<i>HK\$'000</i>
	(Unaudited)
Net liabilities disposed	(165,132)
Assignment of amounts due to immediate holding companies	182,693
	17,561
Gain on disposal of subsidiaries	2,272
Total consideration – by cash	19,833

20. CAPITAL COMMITMENT

	31 December	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Capital expenditures in respect of the acquisition of plants and equipments contracted for but not provided in the consolidated financial statements	2,110	–

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the periods ended 31 December 2009

21. RELATED PARTY TRANSACTIONS

During the periods, the Group had the following transactions with related parties:

	Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited)
Transactions with related companies in which a substantial shareholder of the Company has beneficial interests:				
Commission paid	566	–	566	–
Financial advisory fees paid	10	–	10	–

Compensation of key management personnel

The key management of the Group comprises the Directors, details of their emoluments are as follows:

	Six months ended 31 December		Twelve months ended 31 December	
	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Audited)
Short-term benefit	1,380	820	2,760	1,592
Share-based payment	1,960	–	1,960	–
	3,340	820	4,720	1,592

The emoluments of the Directors were decided by the remuneration committee of the Company having regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market conditions.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

Owing to the change of our financial year to the end of June starting from 2009, this is the second interim report for the eighteen months period ending 30 June 2010. The Board is pleased to announce that the unaudited interim results of the Group for the six months period from 1 July 2009 to 31 December 2009 and the twelve months period from 1 January 2009 to 31 December 2009, recorded a significant increase in profit as compared to the loss incurred in the corresponding periods in 2008.

During the six months period ended 31 December 2009, the Group recorded a turnover from continuing operations of approximately HK\$56.7 million (2008: HK\$7.0 million), representing an increase of approximately 712.6% from last period. For the twelve months period ended 31 December 2009, the Group recorded a turnover of approximately HK\$63.4 million (2008: HK\$14.6 million (restated)), representing an increase of approximately 335.4% as compared to the same period last year.

The Group's profit for the six months and twelve months periods ended 31 December 2009 attributable to the owner of the Company were approximately HK\$17.7 million and HK\$7.3 million respectively, comparing with the loss of approximately HK\$61.4 million and HK\$147.5 million respectively for the corresponding periods in 2008. The increase in profit was mainly attributable to the income generated from the new businesses of the Group, which are factoring business and financial investments. In addition, the Group's discontinued operation, property investment business, recorded a profit for the six months and twelve months periods ended 31 December 2009 of approximately HK\$1.6 million and HK\$4.5 million respectively. As a result, profit for the six months and twelve months periods ended 31 December 2009 attributable to the owner of the Company increase significantly to HK\$17.7 million and HK\$7.3 million respectively comparing with the loss of approximately HK\$61.4 million and HK\$147.5 million for the corresponding periods in 2008.

Dividend

The Directors do not recommend the payment of dividend for the twelve months period ended 31 December 2009 (2008: nil).

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Business Review

During the period, the Group has successfully diversified its core business from restaurant operation and property investment to factoring business and financial investment. The successful launch of the factoring business is a milestone and right time for the Group to expand its business in financial field with high growth.

Factoring business

The global economic situation has languished in 2009. Governments of various countries adopted hands-on bailout policies against the financial crisis. Major emerging markets, such as China and India, had recovered far more quickly and are expected to expand at a more significant rapid pace. The Group is optimistic about the prospects and believes there is still much room for growth of the factoring business in China. The Group has successfully raised over HK\$3,074.9 million capital through two rights issues in June and November 2009 for the development of the factoring business.

The Group was admitted as an associate member of Factors Chain International which is an international organization for factoring companies around the world, and has become strategic partner of Bank of China and Branch Banking and Trust Company.

The Group participates as a factoring company since July 2009, providing factoring services to medium-sized companies in Hong Kong and the People's Republic of China (the "PRC"), and has experienced significant growth. During the six months period ended 31 December 2009, the Group generated approximately HK\$25.8 million revenue from factoring business and recorded a segment profit of approximately HK\$19.4 million.

In order to expand further to the fast growing factoring market in the PRC, the Group successfully obtained license from the Shanghai Trade and Industry Bureau to establish a subsidiary in Shanghai ("Goldin Factoring (China)") in October 2009, which started operating in February 2010. This sets a significant milestone for the Group's development in factoring business.

Taking the advantages of being the first wholly foreign-owned factoring company in the PRC, it will focus on capturing market share from local factoring business which includes different industries such as electronic, household products and construction etc. and customers in the Yangzi River Delta region. It is expected to generate profit for the Group in the coming year. The Group will continue to seize all opportunities to grow and strengthen its factoring business.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Financial investment

Under the low interest rate environment, the management considered that investing in the capital market may yield higher return to the Group. For the six months period ended 31 December 2009, the Group's revenue and profit from financial investment segment amounts to HK\$23.5 million and HK\$22.9 million respectively. These investment activities were carried out under prudent risk management and the Group will cautiously monitors its investments.

Restaurant operation

The restaurant operation still contributes revenue to the Group. However, the results of restaurant operation continuously shows no improvement. The turnover from the restaurant operation recorded an increase of 7.7% for the six months period and a decrease of 2.4% for the twelve months period compared to the corresponding periods last year. Net loss of this segment for the six months and twelve months periods ended 31 December 2009 are HK\$0.7 million and HK\$2.0 million respectively (2008: HK\$2.9 million and HK\$2.3 million respectively). The overall performance for the restaurant operation was weak.

Property investment

The Group considers dedicating more resources to the development of the factoring business. Catching the sudden rebound of the property prices in Hong Kong since March 2009, the Group considered it is an opportune time to cash in on its property portfolio through disposal in this property market rally. In October 2009, the Group disposed of its subsidiaries which carried out all the Group's operations of property investment at an aggregate consideration of HK\$19,833,000 and recognised a gain on disposal of subsidiaries of approximately HK\$1.1 million for the twelve months period ended 31 December 2009. In addition, the Group also recorded approximately HK\$3.4 million profit from this segment prior to its disposal, which was mainly arising from the recognition of revaluation gain of approximately HK\$3.3 million on the investment properties prior to the disposal.

New Company Name and Change of Financial Year End Date

During the year, the name of the Group was changed to "Goldin Financial Holdings Limited" and adopted the Chinese name "高銀金融(集團)有限公司" for identification purposes to better reflect the Group's focus on its new factoring business. Also, the financial year end date of the Company has been changed from 31 December to 30 June to better utilize resources and facilitate better planning and operational processes of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Prospects

It has always been the Group's strategy to broaden its business horizon and diversify income stream in order to boost the long-term development of the Group and enhance shareholders' value. The Board believes that factoring business will continue to grow in 2010 and will become the most promising income stream for the Group.

The Group currently only conducts international factoring business with exporters in the electronic products industry. In the coming year, the Group will explore other international factoring business opportunity in different industries such as furniture and fixtures. In addition, as Goldin Factoring (China) starts operating in February 2010, it will also explore domestic factoring business opportunities in different industries such as electronic, household products and construction to strengthen the income source in the factoring business. The Group will also look for opportunities of merger and acquisition in the financial industry, as well as improve its corporate governance to deliver greater value to the shareholders of the Company.

Financial Review

Liquidity, financial resources and gearing

The Group's working capital as at 31 December 2009 amounted to approximately HK\$3,181.3 million, representing an increase of approximately 30,363.4% compared to last year.

The Group successfully raised approximately HK\$562.2 million and HK\$2,512.7 million through two rights issues in June and November 2009 respectively. As at 31 December 2009, the Group had approximately HK\$2,358.1 million in cash, compared with approximately HK\$20.8 million as of 31 December 2008. The strong cash position has paved the way for the Group to finance its working capital and the new factoring business.

As at 31 December 2009, the Group had other borrowing of approximately HK\$1.4 million (31 December 2008: nil). The gearing ratio, measured in terms of total borrowings divided by total equities, was approximately 0.04% as at 31 December 2009 (31 December 2008: nil). The Group's exposure to the fluctuations in exchange rates is insignificant as the core operation is in Hong Kong. Bank balances were mainly denominated in Hong Kong dollars ("HKD") and United States Dollars ("USD") while the exchange rate fluctuation between HKD and USD is relatively stable.

MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Contingent Liabilities

The Group had no contingent liabilities as of 31 December 2009.

Employment and Remuneration Policy

As of 31 December 2009, the Group had about 46 employees (2008: 40). Total staff costs were approximately HK\$10.5 million (2008: HK\$24.9 million). The remuneration policy and package of the Group's employees are structured in accordance to market terms and statutory requirements where appropriate. In addition, the Group also provides other staff benefits such as medical insurance, mandatory provident fund and share options to motivate and reward employees at all levels to achieve the Group's business performance targets.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

The Company repurchased 34 ordinary shares of the Company through the Stock Exchange at an aggregate consideration of HK\$0.646 and cancelled on delivery of the share certificates on 20 February 2009.

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the twelve months period ended 31 December 2009.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 December 2009, the directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"):

Long position interests in the shares and underlying shares of the Company:

Name of director	Number of ordinary shares of HK\$0.10 each held					Total	Percentage holdings (Note ii)
	Personal interests	Family interests	Corporate interests	Other interests	Number of underlying shares held under equity derivatives (Note i)		
Pan Sutong	115,215,000	-	2,184,475,800 (Note iii)	-	-	2,299,690,800	69.26
Wong Hau Yan, Helvin	-	-	-	-	3,000,000	3,000,000	0.09
Zhou Dengchao	1,000,000	-	-	-	3,000,000	4,000,000	0.12
Hou Qin	1,560,000	-	-	-	3,000,000	4,560,000	0.14
Du Peng (Note iv)	2,220,000	-	-	-	3,000,000	5,220,000	0.16
Wong Zhixiong (Note v)	-	-	-	-	3,000,000	3,000,000	0.09

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES *(Continued)**Notes:*

- (i) The interests in the underlying shares represented share options granted by the Company to these directors as beneficial owners, the details of which are set out in the section below headed "Share Option Scheme".
- (ii) The percentage of interest in the issued share capital was calculated on the basis of 3,320,179,520 shares of the Company in issue at 31 December 2009.
- (iii) The 2,184,475,800 shares comprise (i) 2,141,085,800 shares in the Company and 43,390,000 shares in the Company held by Goldin Global Holdings Limited ("GGH") and Clear Jade International Limited respectively which are wholly and beneficially owned by Mr. Pan Sutong ("Mr. Pan"), a non-executive Director and the chairman of the Board.

The Company entered into the subscription agreement dated 17 September 2009 with GGH, pursuant to which the Company has conditionally agreed to issue and GGH has conditionally agreed to subscribe for the convertible note of the Company (the "Convertible Note") in an aggregate principal amount of US\$180,500,000 (equivalent to approximately HK\$1,398,875,000). The Convertible Note is convertible into 950,000,000 shares of the Company at the conversion price (subject to adjustment(s)). By virtue of the SFO, Mr. Pan was deemed to be interested in an aggregate of 3,134,475,800 shares of the Company through his controlled corporations, GGH and Clear Jade International Limited as at 31 December 2009.

- (iv) Mr. Du Peng resigned as an executive Director with effect from 1 February 2010. He continued his service for the Group after the resignation. The options granted to him were reallocated on 1 February 2010.
- (v) Mr. Wong Zhixiong resigned as an executive Director with effect from 4 January 2010. The options granted to him were lapsed on 4 January 2010.

Save as disclosed above, as at 31 December 2009, none of the directors or chief executive of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SECURITIES

As at 31 December 2009, the following persons (other than any directors or chief executive of the Company) were substantial shareholders of the Company (as defined in the Listing Rules) and had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholder (Note i)	Nature of interest	Number of shares/underlying shares interested or deemed to be interested (Note ii)	Percentage to the issued share capital of the Company (Note iii)
Goldin Global Holdings Limited	Beneficial owner	2,141,085,800	64.49
Goldin Investment Holdings Limited	Interest of controlled corporation	2,141,085,800	64.49
Goldin Real Estate Financial Holdings Limited	Interest of controlled corporations	2,141,085,800	64.49

Notes:

- (i) GGH is a wholly owned subsidiary and hence a controlled corporation of Goldin Investment Holdings Limited ("Goldin Investment"). Goldin Investment is a wholly owned subsidiary and hence a controlled corporation of Goldin Real Estate Financial Holdings Limited ("Goldin Real Estate Financial"). Goldin Real Estate Financial is wholly and beneficially owned by Mr. Pan whose interests in the shares of the Company are disclosed in the paragraph entitled "Directors' and Chief Executive's Interests in Securities" above.
- (ii) The Company entered into the subscription agreement dated 17 September 2009 with GGH, pursuant to which the Company has conditionally agreed to issue and GGH has conditionally agreed to subscribe for the Convertible Note in an aggregate principal amount of US\$180,500,000 (equivalent to approximately HK\$1,398,875,000). The Convertible Note is convertible into 950,000,000 shares of the Company at the conversion price (subject to adjustment(s)). By virtue of the SFO, both Goldin Real Estate Financial and Goldin Investment were deemed to be interested in the same lot of 3,091,085,800 shares of the Company held by GGH as at 31 December 2009.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS IN SECURITIES *(Continued)*

Notes: *(Continued)*

- (iii) The percentage of interest in the issued share capital was calculated on the basis of 3,320,179,520 shares of the Company in issue at 31 December 2009.

Save as disclosed above, as at 31 December 2009, the Company had not been notified of any other persons (other than any directors or chief executive of the Company) who had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Scheme") was adopted on 28 January 2004. The purpose of the Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds an equity interest. At a special general meeting of the Company held on 20 July 2009, the Company's shareholders approved a refreshment of the 10% limit on the grant of options under the Scheme and the total number of shares which may be issued upon the exercise of options granted under the Scheme was re-set at 10% of the shares in issue on 20 July 2009, the date of approval of the refreshment (i.e. 94,862,272 shares). The key terms of the Scheme had been summarized under note 24 of the notes to the consolidated financial statements from pages 94 to 96 of the Company's 2008 annual report published in April 2009.

SHARE OPTION SCHEME (Continued)

Details of movements in the options under the Scheme during the period and options outstanding as at the beginning and end of the period are set out below:

Name of participant	Grant date (dd.mm.yyyy)	Number of share options					As at 31 December 2009	Exercise price per share (HK\$)	Exercisable period (dd.mm.yyyy)
		As at 1 January 2009	Granted	Exercised	Cancelled	Lapsed			
Directors									
Wong Hau	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2010 – 21.7.2019
Yan, Helvin	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2011 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2012 – 21.7.2019
Zhou Dengchao	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2010 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2011 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2012 – 21.7.2019
Hou Qin	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2010 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2011 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2012 – 21.7.2019
Du Peng	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2010 – 21.7.2019
(Note i)	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2011 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2012 – 21.7.2019
Wang Zhixiong	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2010 – 21.7.2019
(Note ii)	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2011 – 21.7.2019
	22.7.2009	-	1,000,000	-	-	-	1,000,000	0.654	22.1.2012 – 21.7.2019
Employees	22.7.2009	-	3,000,000	-	-	-	3,000,000	0.654	22.7.2009 – 21.7.2019
(in aggregate)	23.7.2009	-	2,490,000	-	-	-	2,490,000	0.652	23.1.2010 – 22.7.2019
	23.7.2009	-	2,490,000	-	-	-	2,490,000	0.652	23.1.2011 – 22.7.2019
	23.7.2009	-	3,320,000	-	-	-	3,320,000	0.652	23.1.2012 – 22.7.2019
Others	23.7.2009	-	1,000,000	-	-	-	1,000,000	0.652	23.7.2009 – 22.7.2019
(in aggregate)	23.7.2009	-	18,840,000	-	-	15,000	18,825,000	0.652	23.1.2010 – 22.7.2019
	23.7.2009	-	18,840,000	-	-	15,000	18,825,000	0.652	23.1.2011 – 22.7.2019
	23.7.2009	-	25,120,000	-	-	20,000	25,100,000	0.652	23.1.2012 – 22.7.2019

SHARE OPTION SCHEME (Continued)

Notes:

- i. Mr. Du Peng resigned as an executive Director with effect from 1 February 2010. He continued his service for the Group after the resignation. The options granted to him were reallocated on 1 February 2010.
- ii. Mr. Wong Zhixiong resigned as an executive Director with effect from 4 January 2010. The options granted to him were lapsed on 4 January 2010.

The vesting period for each of the above outstanding options is from its date of grant up to and including the date immediately preceding the commencement of its exercisable period.

Both the closing prices of the shares of the Company on 21 July 2009 (the immediate preceding date of granting the options on 22 July 2009) and 22 July 2009 (the immediate preceding date of granting the options on 23 July 2009) were HK\$0.65 per share. Subsequent to the adjustment of the share prices for the rights issue of the Company in November 2009, the closing prices of the Company on 21 July 2009 and 22 July 2009 were adjusted to HK\$0.95 per share.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the twelve months ended 31 December 2009 with the code provisions of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules, except for deviation from code provision A.4.1 of the CG Code.

Under the CG Code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. None of the existing non-executive directors of the Company are appointed for a specific term but are subject to retirement by rotation at least once every three years at the Company's annual general meeting in accordance with the provisions of the bye-laws of the Company. The Board believes that such practice will offer stability at the Board level while at the same time, independence is safeguarded by the necessary rotation, retirement and re-election procedures which involves shareholders' approval. As such, the Board considers that such provisions are sufficient to meet the underlying objectives of the relevant provisions of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Board has adopted the Model Code contained in Appendix 10 of the Listing Rules (as amended from time to time by the Stock Exchange) as its own code of conduct regarding directors' and relevant employees' securities transactions. Having made specific enquiry of all the directors of the Company, all the directors confirmed that they have complied with the required standard of dealings set out in the Model Code throughout the twelve months ended 31 December 2009.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in details of the Director since the date of the 2008 annual report of the Company or (as the case may be) the date of announcement for the appointment or re-designation of Director issued by the Company are set out as follows:

- Mr. Wong Hau Yan, Helvin, an executive Director, retired as a Lay Observer of the Independent Police Complaints Council.
- Mr. Tso Hon Sai, Bosco (“Mr. Tso”), an independent non-executive Director, resigned as the chairman of the audit committee of the Company (the “Audit Committee”).

Mr. Tso is also an independent non-executive director of Neolink Cyber Technology (Holding) Limited (“Neolink Cyber”) which is a company listed on the Stock Exchange. Neolink Cyber was changed its name to Global Resources Development (Holding) Limited (“Global Resources Development”) on 7 May 2009. Subsequently, Global Resources Development was changed its name to China Public Healthcare (Holding) Limited on 16 December 2009.

- Ms. Hui Wai Man, Shirley, an independent non-executive Director, was appointed as the chairman of the Audit Committee.

Updated biographical details of the Directors are also available on the website of the Company.

Save as disclosed above, there is no other change of directors’ biographical details required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Ms. Hui Wai Man, Shirley (Chairman), Mr. Tso Hon Sai, Bosco and Mr. Tang Yiu Wing. The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months and twelve months periods ended 31 December 2009.

On behalf of the Board

Goldin Financial Holdings Limited

Pan Sutong

Chairman

Hong Kong, 22 March 2010