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GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

The board of directors (the “Board” or the “Directors”) of Goldin Financial Holdings Limited (the “Company”) is pleased to present the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2012 together with comparative figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 31 December 2012

	NOTES	Six months ended 31 December	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue	4	149,163	98,470
Cost of sales		(45,745)	(29,222)
Gross profit		103,418	69,248
Net losses on financial assets at fair value through profit or loss	5	–	(74,836)
Other income	4	8,779	8,177
Other gains and losses	6	12,459	(105,721)
Increase in fair value of investment property	12	749,954	229,413
Selling and distribution expenses		(3,412)	(465)
Administrative expenses		(52,041)	(40,776)
Finance costs	7	(24)	(1,747)
Profit before tax	8	819,133	83,293
Income tax expenses	9	(14,628)	(946)
Profit for the period		804,505	82,347
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		(489)	(1,171)
Other comprehensive income/(loss) for the period, net of tax		(489)	(1,171)
Total comprehensive income for the period		804,016	81,176

	Six months ended 31 December	
	2012	2011
<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to:		
Owners of the Company	493,373	(20,919)
Non-controlling interest	311,132	103,266
	<u>804,505</u>	<u>82,347</u>
Total comprehensive income/(loss) attributable to:		
Owners of the Company	492,884	(22,090)
Non-controlling interest	311,132	103,266
	<u>804,016</u>	<u>81,176</u>
		(Restated)
Earnings/(loss) per share attributable to owners of the Company		
Basic	<i>11</i> <u>HK13.44 cents</u>	<u>HK(0.65) cents</u>
Diluted	<u>HK13.40 cents</u>	<u>HK(0.65) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

	<i>NOTES</i>	31 December 2012 HK\$'000 (Unaudited)	30 June 2012 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		292,334	300,729
Investment property	<i>12</i>	4,800,000	3,900,000
Intangible assets		83,897	84,418
Vines		5,001	8,703
Deposits	<i>13</i>	118,277	–
Convertible bond – loan portion		86,309	83,342
Loan receivable		21,850	21,850
		<hr/>	<hr/>
Total non-current assets		5,407,668	4,399,042
CURRENT ASSETS			
Inventories		89,640	76,251
Trade receivables	<i>14</i>	1,378,621	1,173,877
Prepayments, deposits and other receivables		62,687	15,633
Amount due from a related company	<i>18(b)(ii)</i>	279	–
Convertible bond – conversion option derivative		13,684	7,126
Cash and bank balances		2,650,670	84,754
		<hr/>	<hr/>
Total current assets		4,195,581	1,357,641
CURRENT LIABILITIES			
Trade payables	<i>15</i>	274,360	174,374
Accruals, other payables, other deposits and receipts in advance		29,352	28,242
Due to immediate holding company	<i>18(b)(iii)</i>	–	28,091
Tax payable		21,096	11,127
		<hr/>	<hr/>
Total current liabilities		324,808	241,834
NET CURRENT ASSETS		<hr/> 3,870,773	<hr/> 1,115,807
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 9,278,441	<hr/> 5,514,849

		31 December	30 June
		2012	2012
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
NON-CURRENT LIABILITIES			
Loan from the immediate holding company	<i>18(b)(iii)</i>	–	972,334
Secured bank borrowing	<i>16</i>	66,188	–
Derivative financial instrument		5,600	11,500
Deferred tax liabilities		369	369
		<hr/>	<hr/>
Total non-current liabilities		72,157	984,203
		<hr/>	<hr/>
Net assets		9,206,284	4,530,646
		<hr/>	<hr/>
EQUITY			
Equity attributable to owners of the Company			
Issued capital	<i>17</i>	697,479	332,133
Reserves		6,635,320	2,636,160
		<hr/>	<hr/>
Non-controlling interest	<i>18(b)(iv)</i>	7,332,799	2,968,293
		1,873,485	1,562,353
		<hr/>	<hr/>
Total equity		9,206,284	4,530,646
		<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2012

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 (the “Listing Rules”) 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 investment property, derivative financial instruments and equity investments, and biological assets, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 31 December 2012 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 30 June 2012, except as described below:

In the current period, the Group has applied, for the first time, the Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of items of Other Comprehensive Income* issued by HKICPA, which become effective from 1 July 2012. The Amendments require an entity to present the items of other comprehensive income that may be reclassified to profit or loss in the future if certain conditions are met, separately from those that would never be reclassified to profit or loss. The application of the Amendments to HKAS 1 has no effect on profit or loss, other comprehensive income and total comprehensive income.

The Group has not early adopted any new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing their impact on the Group’s results and financial position.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the factoring segment engages in provision of factoring services;
- (b) the financial investment segment engages in securities and derivatives investment and trading, and investment in financial instrument;
- (c) the winery and wine trading segment engages in the investments and trading of wines and an operation of a vineyard; and
- (d) the property segment engages in property development and investment.

3. SEGMENT INFORMATION (Continued)

The following tables present revenue and profit information for the Group's business segments for the six months ended 31 December 2011 and 2012 respectively.

For the six months ended 31 December 2012

	Factoring <i>HK\$'000</i> (Unaudited)	Financial investment <i>HK\$'000</i> (Unaudited)	Winery and wine trading <i>HK\$'000</i> (Unaudited)	Property <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue:					
Sales to external customers	56,651	–	92,512	–	149,163
Segment results	34,150	12,771	43,394	755,165	845,480
Reconciliations:					
Unallocated interest and other income					946
Corporate and unallocated expenses					(27,269)
Finance costs					(24)
Profit before tax					819,133

For the six months ended 31 December 2011

	Factoring <i>HK\$'000</i> (Unaudited)	Financial investment <i>HK\$'000</i> (Unaudited)	Winery and wine trading <i>HK\$'000</i> (Unaudited)	Property <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue:					
Sales to external customers	60,650	–	37,820	–	98,470
Segment results	45,587	(173,206)	11,755	227,509	111,645
Reconciliations:					
Unallocated interest and other income					2,066
Corporate and unallocated expenses					(28,671)
Finance costs					(1,747)
Profit before tax					83,293

4. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	Six months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue		
Handling fee income and interest income from factoring services	56,651	60,650
Sale of wines	92,512	37,820
	<u>149,163</u>	<u>98,470</u>
Other income		
Bank interest income	64	240
Interest income on a loan receivable	881	883
Interest income on a convertible bond	6,518	6,111
Others	1,316	943
	<u>8,779</u>	<u>8,177</u>

5. NET LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Six months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Net fair value losses on derivative financial instruments	–	(4,771)
Net losses on disposals of equity financial assets at fair value through profit or loss	–	(73,760)
Dividend income from listed equity investments	–	3,746
Brokerage commission	–	(51)
	<u>–</u>	<u>(74,836)</u>

6. OTHER GAINS AND LOSSES

	Six months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Fair value gain/(loss) on the conversion option derivative	6,559	(5,444)
Fair value gain/(loss) on a derivative financial instrument classified as financial liability at fair value through profit or loss	5,900	(1,900)
Loss on realisation of an available-for-sale investment	–	(98,377)
	<u>12,459</u>	<u>(105,721)</u>

7. FINANCE COSTS

	Six months ended 31 December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Interests on bank loan and other borrowing wholly repayable within five years	212	1,747
Interest on a loan from the immediate holding company	36,465	28,751
Amortisation of loan facility arrangement fees	160	–
	<u>36,837</u>	<u>30,498</u>
Less: Amount capitalised in an investment property under construction (<i>note 12</i>)	<u>(36,813)</u>	<u>(28,751)</u>
	<u>24</u>	<u>1,747</u>

8. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/(crediting):

	Six months ended 31 December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Depreciation of property, plant and equipment	9,043	6,813
Less: Amount included in inventory overheads	<u>(2,048)</u>	<u>–</u>
	<u>6,995</u>	<u>6,813</u>
Amortisation of intangible assets	454	–
Foreign exchange differences, net	1,034	(7,590)
Equity-settled share option expenses	<u>–</u>	<u>790</u>

9. INCOME TAX EXPENSES

	Six months ended 31 December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Current – Hong Kong		
Charge for the period	6,141	–
Under-provision in prior years	–	3
Current – Elsewhere		
Charge for the period	8,487	943
Deferred	<u>–</u>	<u>–</u>
Tax charge for the period	<u>14,628</u>	<u>946</u>

10. DIVIDEND

The directors do not recommend the payment of an interim dividend for the six months ended 31 December 2012 (2011: Nil).

11. EARNINGS/(LOSS) PER SHARE

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

	Six months ended 31 December	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Profit/(loss) attributable to owner of the Company, used in the basic earnings/(loss) per share calculation	493,373	(20,919)
	3,669,909	3,220,981
	11,368	–
	3,681,277	3,220,981

	Number of shares	
	Six months ended 31 December	
	2012	2011
	'000	'000
		(Restated)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings/(loss) per share calculation	3,669,909	3,220,981
Effect of dilution – weighted average number of ordinary shares: Share options (<i>Note</i>)	11,368	–
	3,681,277	3,220,981

Note: The diluted loss per share amount for the six months ended 31 December 2011 decreased when taking into account the exercise of share options, the exercise of share options had anti-dilutive effect on the basic loss per share and was thus ignored in the calculation of diluted loss per share for that period.

The weighted average number of ordinary shares in issue during the six months ended 31 December 2011 used in the basic loss per share calculation has been restated to reflect the change in the number of ordinary shares as a result of the rights issue (note 17) in the current period.

12. INVESTMENT PROPERTY

	<i>HK\$'000</i>
At 1 July 2011 (audited)	–
Addition during the year	3,432,201
Construction cost incurred	24,863
Finance cost capitalised	70,154
Change in fair value	372,782
	<hr/>
At 30 June 2012 and 1 July 2012 (audited)	3,900,000
Construction cost incurred	113,233
Finance cost capitalised (<i>note 7</i>)	36,813
Change in fair value	749,954
	<hr/>
At 31 December 2012 (Unaudited)	<u>48,000,000</u>

The Group's property interest held under operating lease to earn rentals purpose is measured using the fair value model and are classified and accounted for as investment property. The Group's investment property is under construction and situated in Hong Kong under medium-term lease.

The fair value of the Group's investment property at 31 December 2012 and 30 June 2012 have been arrived at on the basis of a valuation carried out on these dates by Savills Valuation and Professional Services Limited, an independent qualified professional valuer not connected with the Group, on an open market, existing use basis.

At 31 December 2012, the above investment property was pledged to secure a banking facility granted to the Group (*note 16*).

13. DEPOSITS

The amounts as at 31 December 2012 represent deposits paid to the Group's suppliers for purchase of wines under wine future arrangements. According to the terms of purchases, the wines are expected to be delivered to the Group in 2014, therefore the amounts are classified as long term.

14. TRADE RECEIVABLES

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

	31 December 2012 <i>HK\$'000</i> (Unaudited)	30 June 2012 <i>HK\$'000</i> (Audited)
Current to 120 days	1,192,382	355,392
121 to 151 days	190	482,217
151 to 180 days	186,049	336,268
	<hr/>	<hr/>
	<u>1,378,621</u>	<u>1,173,877</u>

15. TRADE PAYABLES

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

	31 December 2012 HK\$'000 (Unaudited)	30 June 2012 HK\$'000 (Audited)
Current to 120 days	246,453	51,623
121 to 150 days	–	72,311
151 to 180 days	27,907	50,440
	274,360	174,374

16. SECURED BANK BORROWING

On 26 November 2012, Smart Edge Limited (“Smart Edge”), an indirect 60% owned subsidiary of the Company holding an investment property under development, obtained a banking facility in an aggregate of HK\$3,000,000,000 for a maximum period of four years for financing the development costs of the Group’s investment property. Mr. Pan Sutong (“Mr. Pan”), a controlling shareholder of the Company, is beneficially interested in 40% of the issued share capital of Smart Edge.

The banking facility, bears interest at the lower of (i) the 1-month Hong Kong Interbank Offered Rate plus margin of 3.4% per annum and (ii) the Hong Kong prime lending rate less margin of 0.5%, is secured by, among others, the following assets and guarantees:

- (i) the 100% equity interest of Smart Edge;
- (ii) the investment property under development held by Smart Edge (note 12);
- (iii) a corporate guarantee given by the Company for an amount up to 60% of the aggregated loan amount draw down by Smart Edge;
- (iv) a personal guarantee given by Mr. Pan for an amount up to 40% of the aggregate loan amount draw down by Smart Edge.

As at 31 December 2012, the Group’s secured bank borrowing represents HK\$66,000,000 loans draw down by the Group in respect of the above banking facility and the accrued interest thereof and, is repayable more than two years but not more than five years. The effective interest rate for the period ended 31 December 2012 is 3.68%.

The carrying amount of the secured bank borrowing as at 31 December 2012 is denominated in Hong Kong dollar.

17. SHARE CAPITAL

Ordinary shares

	31 December 2012 HK\$'000 (Unaudited)	30 June 2012 HK\$'000 (Audited)
Authorised: 11,000,000,000 (30 June 2012: 5,500,000,000) ordinary shares of HK\$0.10 each	1,100,000	550,000
Issued and fully paid: 6,974,791,992 (30 June 2012: 3,321,329,520) ordinary shares of HK\$0.10 each	697,479	332,133

Movements in the Company's issued share capital are as follows:

	Number of shares in issue	Issued capital HK\$'000
At 1 July 2011 (audited)	3,321,209,520	332,121
Issue of shares upon exercise of share options	120,000	12
At 30 June 2012 and 1 July 2012 (audited)	3,321,329,520	332,133
Rights issue (<i>Note</i>)	3,653,462,472	365,346
At 31 December 2012 (unaudited)	6,974,791,992	697,479

Note: In December 2012, the Company issued and allotted 3,653,462,472 ordinary shares of HK\$0.10 each to the qualifying shareholders pursuant to the rights issue on the basis of eleven rights shares for every ten shares held as at 15 November 2012 at a subscription price of HK\$1.07 per share. The net cash proceeds of approximately HK\$2,835.7 million after offset of the loan from the immediate holding company of approximately HK\$1,035,956,000 and share issue expenses of approximately HK\$37,583,000, is to be used for development of the Group's factoring business and wine business.

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

18. RELATED PARTY TRANSACTIONS

- (a) During the period, the Group had the following transactions with related parties:

	Six months ended 31 December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Transactions with related companies in which a substantial shareholder of the Company has beneficial interests:		
Sale of wines	6,433	–
Commission paid for underwriting the Company's shares	35,308	–
Brokerage commission paid	–	46
Financial advisory fees paid	620	–
Project management fees paid	1,170	1,950
Interest income on a convertible bond	3,630	3,630
	<hr/>	<hr/>
Sales of wine to a substantial shareholder of the Company	–	925
	<hr/>	<hr/>
Interest expense on a loan from the immediate holding company	36,465	28,751
	<hr/>	<hr/>

(b) Outstanding balances with related parties

- (i) The carrying amount of trade receivables at 31 December 2012 included a debtor balance of HK\$2,006,000 (30 June 2012: HK\$1,330,000) due from a related company in which the substantial shareholder of the Company has beneficial interest.
- (ii) The amount due from a related company at 31 December 2012 is non trade nature and is unsecured, non-interest bearing and repayable on demand.
- (iii) As at 30 June 2012, the loan from the immediate holding company was unsecured, interest-bearing at 8.5% per annum, payable semi-annually and was not repayable within one year. The amount due to the immediate holding company represented accrued interest as at 30 June 2012.

During the current period, upon the issuance of rights shares in December 2012, the entire principal amount of the loan from the immediate holding company and the accrued interest up to 4 December 2012 amounting to approximately HK\$1,035,956,000 was set off against the subscription price of the rights shares issued and allotted to the immediate holding company.

- (iv) Non-controlling interest represented (i) equity interest of a subsidiary held by an entity beneficially owned by a substantial shareholder of the Company and (ii) a loan therefrom. The loan balance is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors of the Company, the loan balance is considered as quasi-capital.

18. RELATED PARTY TRANSACTIONS *(Continued)*

(c) Compensation of key management personnel

The key management personnel of the Group are its directors, details of their emoluments are as follows:

	Six months ended 31 December	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Short-term employee benefits	3,033	2,404
Equity-settled share option expenses	–	184
	<u>3,033</u>	<u>2,588</u>

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

The six months ended 31 December 2012, (the first half of FY2013 or the six months/the period under review) were encouraging ones for the Group. By the end of the first half of FY2013, the Group's turnover stood at approximately HK\$149.2 million (a 51.5% rise over the HK\$98.5 million figure for the same period in the previous financial year (FY2012)). The increase was mainly the result of increase in wine trading. The profit attributable to shareholders of the Company was around HK\$493.4 million, compared to a HK\$20.9 million loss recorded for the same period in FY2012. Our strong showing during the period under review is largely the result of our share of the increase in the fair value of the 79,200 sq.m. investment property (the "Goldin Financial Global Centre") we are now constructing in Kowloon Bay.

The first half of FY2013 has also seen us continue our proven policy of vigorously seeking out opportunities in the global wine business. In the local property arena, major highlights included our joint venture's steady progress in developing the Goldin Financial Global Centre commercial complex. On track to open its doors in spring 2015, the new property promises to generate significant profits for shareholders.

BUSINESS REVIEW

During the six months ended 31 December 2012, the Group has been typically tireless in identifying potentially lucrative profit generators.

Key developments during the six months under review included a 100% increase in authorized share capital from HK\$550 million to HK\$1,100 million effective from December 2012 and issuance of 3,653,462,472 rights shares of the Company by way of the Company's rights issue on the basis of eleven rights shares of the Company for every ten existing shares of the Company ("Rights Issue") which was successfully completed in that same month. The overall effect of these developments has been a measurable strengthening of the Group's capital base and financial position.

Factoring

Whilst its business is subject to the same ongoing unstable financial fundamentals as other companies, Goldin Factoring (China) Development Limited ("GFC"), the Group's China based subsidiary, continued to focus on returning a profit. During the first six months of FY2013, revenue and profit from this segment totalled approximately HK\$56.7 million and HK\$34.2 million respectively. These figures represent a fall of respectively 6.6% and 25% compared to the HK\$60.7 million and HK\$45.6 million figures recorded in the same period in FY2012. The decrease is due to the limited capital base for the factoring business and the increase in operating expenses of the factoring operation.

As in previous years, the economic policies of the Central People's Government of China continued to have a profound impact on GFC's activities. In June 2012, the Central People's Government launched a trial scheme allowing the establishment of commercial factoring services in Shanghai Pudong and Tianjin Binhai New Areas. As a result, increasing numbers of commercial factors have registered in and around Pudong and factoring has started

to play an increasingly important role in the local commercial market. Best of all, with China's combined exports and imports for the third quarter of FY2012, from 1 January to 30 September 2012, totaling US\$2,842.47 million, the sector still offers plenty of scope for future growth.

In August 2012, the Shanghai Municipal Commission of Commerce approved GFC's application to increase its registered capital by approximately 301% from US\$99.67 million to US\$399.67 million. As at 31 December 2012, some US\$200 million of this additional capital had already been injected into GFC.

On 13 December 2012 GFC signed a domestic factoring agreement with Matsunichi Digital Development (Shenzhen) Limited ("Matsunichi Digital"), a company wholly owned by the Company's controlling shareholder, Mr. Pan Sutong. The agreement was subsequently approved by the Company's independent shareholders at a special general meeting held on 8 February 2013.

Wine

The steady growth in spending power among China's emerging middle classes has been accompanied by a surge in demand for high-end luxury goods. Wine continues to be one of the biggest beneficiaries of this trend. In prior year, the Group spotted the huge growth potential of this segment when it acquired the trademarks for the "Sloan", "Sloan Estate" and "Asterisk" brands. In December 2012, the Group's wine segment took yet another step forwards in this area when it entered into a purchase agreement to acquire a 95% interest in a French corporation which operates three vineyards totaling some 15 hectares in Europe's legendary Bordeaux wine-making heartland. The aforementioned acquisition is on schedule to be completed in late Spring 2013 subject to the fulfillment of the conditions set down in the purchase agreement.

For the six months ended 31 December 2012, the turnover from the wine segment amounted to HK\$92.5 million (2011: HK\$37.8 million) and profit from this segment was HK\$43.4 million (2011: HK\$11.8 million).

Property

The high-scale development potential of Kowloon East as a commercial property hub was another trend the Group has been quick to capitalize upon. In July 2011, ourselves and our partners in the joint venture successfully bid for a plot of land located in a prime area of Kowloon Bay. With the "Energizing Kowloon East" initiative remaining a priority for the HKSAR Government, our expectations of our resultant "Goldin Financial Global Centre" project's long-term success look likely to be fulfilled. Work on the new development began in July 2012 and the complex remains on schedule to open its doors for business in early 2015. In mid-November 2012, the Group successfully obtained a four-year banking facility worth up to an aggregate amount of HK\$3,000 million to finance all the construction costs for this property.

During the period under review, the Group recorded a fair value increase of approximately HK\$750.0 million in relation to the investment property under construction (2011: HK\$229.4 million).

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 31 December 2012, the Group's working capital stood at approximately HK\$3,870.8 million, a rise of 246.9% over the HK\$1,115.8 million figure recorded at 30 June 2012. Cash and bank balances totaled some HK\$2,650.7 million, a 3,025.8% increase over the HK\$84.8 million figure as at 30 June 2012. The significant rise in working capital is largely due to the successful completion of the Rights Issue which raised net proceeds of approximately HK\$3,871.7 million. This figure comprised net cash proceeds of around HK\$2,835.7 million and offset an outstanding loan from Goldin Global Holdings Limited ("GGH") of approximately HK\$1,036.0 million.

As at 31 December 2012, the Group had no outstanding loan from GGH and USD300 million (equivalent to HK\$2,331 million) in undrawn borrowing facility from GGH (respective figures as at 30 June 2012: outstanding loan of US\$125.3 million and undrawn facilities of US\$174.7 million). We had also taken out a loan of around HK\$66.2 million from the banking facility as mentioned in the "Property" section of this announcement. These funds were used to finance the payments of construction related costs for our "Goldin Financial Global Centre" in Kowloon Bay. As at 31 December 2012, the Group's gearing ratio of total borrowings divided by total equities stood at approximately 0.7% (30 June 2012: 22.1%).

Foreign Exchange

As the Group's key operations continue to be predominantly Hong Kong-, PRC- and US-based, our major assets are primarily denominated in HK\$ and US\$. As we have yet to establish a formal foreign currency hedging policy, we will continue to scrutinize our exposure to foreign exchange fluctuations very carefully. In doing so, we will also remain ready to prepare and put into practice appropriate hedging measures should they be needed.

CONTINGENT LIABILITIES AND PLEDGE OF ASSETS

The Group had no significant contingent liabilities as at 31 December 2012.

As at 31 December 2012, save as disclosed in note 12 to the condensed consolidated interim financial information, the Group's equity interest in Smart Edge, a 60% owned subsidiary was pledged to the bank to secure a banking facility granted to the Group.

PROSPECTS

In moving forwards into the second half of FY2013 and beyond, the Group foresees that it is likely to face and overcome still more challenges. In doing so, we will also have the opportunity to capitalize on many exciting new possibilities across all our core business segments.

A highly effective business tool which enables companies across Greater China to obtain cash against approved accounts receivables, factoring will remain a steady source of revenue for many years. The potential for profit resulting from our implementation of our recent domestic factoring agreement with Matsunichi Digital looks particularly promising. In increasing our focus on China's huge domestic factoring market, we will also continue to seek collaboration opportunities to access alternative sources of funding from financial institutions. As always, the Group will continue to be meticulous in its selection of quality customers and the implementation and monitoring of risk control measures.

With China's demand for – and consumption of – wine growing at a phenomenal rate, long-term prospects for our wine segment look equally promising. In rounding out our portfolio of activities in this area, we are maintaining our aggressive expansion into fields such as wine futures, cellaring and the fermenting and trading of wines under our own labels. To this end, we are now actively exploring investing in new production hubs overseas and new distribution channels in both China and Hong Kong. Our ultimate aim is to ensure we remain perfectly placed to capture the huge as yet untapped potential that exists in Greater China's vast, billion-strong wine market.

In addition to its ongoing construction work on the new “Goldin Financial Global Centre” in Kowloon Bay, our property segment will also maintain our exploration of new property development opportunities in Hong Kong. With commercial property prices in the Territory still rising steadily, we remain confident we can continue to maximize returns on our shareholders' investments.

With the global economy remaining cautious, the Group intends to outpace changing trends by maintaining its proven policy of carefully assessing investment opportunities from every side. As always, we will continue to benefit our shareholders by only working with strategic partners who can create value and opportunities for our businesses.

INTERIM DIVIDEND

The directors of the Company (the “Directors”) have resolved not to declare interim dividend for the six months ended 31 December 2012 (2011: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board recognises the importance of maintaining a high standard of corporate governance to protect and enhance the benefits of shareholders and has applied the principles of the code provisions of the Code on Corporate Governance Practices contained in Appendix 14 (the “CG Code”) of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

For the period ended 31 December 2012, the Company has complied with the code provisions of the CG Code with deviations from the code provisions A.2.1 and A.4.1 of the CG Code as summarised below:

- i. In accordance with CG Code provision A.2.1 stipulates that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same individual.

The Company does not at present have any officer with the title CEO. The daily operation and management of the Company is monitored by the executive directors as well as the senior management. The Board considers the present structure is more suitable for the Company because it can promote the efficient formulation and implementation of the Company’s strategies.

- ii. Under the code provision A.4.1 of the CG Code, non-executive Directors should be appointed for a specific term and 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code contained in Appendix 10 of the Listing Rules as its own code of conduct regarding directors’ 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 six months ended 31 December 2012.

HUMAN RESOURCES

As of 31 December 2012, the Group had about 61 employees (2011: 46). Total staff costs for the six months ended 31 December 2012 were approximately HK\$14.4 million (2011: HK\$10.6 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.

REVIEW BY AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Ms. Hui Wai Man, Shirley (Chairman), Mr. Tang Yiu Wing and Ms. Gao Min. The Audit Committee, together with the management of the Company, have reviewed the accounting principles and practices adopted by the Group and discussed financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 31 December 2012.

PUBLICATION OF UNAUDITED INTERIM RESULTS AND INTERIM REPORT

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.goldinfinancial.com). The interim report of the Company for the six months ended 31 December 2012 containing all the information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

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

Hong Kong, 25 February 2013

At the date of this announcement, Mr. Pan Sutong is the Chairman of the Board and non-executive Director; Mr. Wong Hau Yan, Helvin, Mr. Zhou Dengchao, Ms. Hou Qin, Mr. Lee Chi Chung, Harvey and Professor Huang Xiaojian are the executive Directors; and Ms. Hui Wai Man, Shirley, Mr. Tang Yiu Wing and Ms. Gao Min are the independent non-executive Directors.

* For identification purposes only