



**GOLDIN FINANCIAL HOLDINGS LIMITED**

**高銀金融(集團)有限公司\***

(Incorporated in Bermuda with limited liability)

(Stock Code : 530)



\* for identification purposes only

# Contents

Corporate Information	2
Chairman's Statement	3
Corporate Governance and Other Information	8
Condensed Consolidated Statement of Comprehensive Income	15
Condensed Consolidated Statement of Financial Position	17
Condensed Consolidated Statement of Changes in Equity	19
Condensed Consolidated Statement of Cash Flows	20
Notes to the Condensed Consolidated Financial Statements	21



## CORPORATE INFORMATION

### Non-executive Director and Chairman of the Board

Mr. Pan Sutong

### Executive Directors

Mr. Wong Hau Yan, Helvin  
Mr. Lee Chi Chung, Harvey  
Mr. Zhou Dengchao  
Ms. Hou Qin  
Professor Huang Xiaojian

### Independent Non-executive Directors

Ms. Hui Wai Man, Shirley  
Mr. Tang Yiu Wing  
Ms. Gao Min

### Audit Committee

Ms. Hui Wai Man, Shirley  
*(Chairman of Audit Committee)*  
Mr. Tang Yiu Wing  
Ms. Gao Min

### Company Secretary

Ms. Lun Hau Mun

### Registered Office

Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

### Hong Kong Principal Place of Business

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

### Principal Bankers

The Hongkong and Shanghai Banking  
Corporation Limited  
Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd,  
Hong Kong Branch

### Share Registrar and Transfer Offices

#### Principal:

Butterfield Fulcrum Group (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM11  
Bermuda

#### Hong Kong Branch:

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

### Stock Code

530

### Website

[www.goldinfinancial.com](http://www.goldinfinancial.com)

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "Board"), I hereby present to the shareholders the interim results of Goldin Financial Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the six months period ended 31 December 2012.

## 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.

## CHAIRMAN'S STATEMENT *(Continued)*

### *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).

## CHAIRMAN'S STATEMENT *(Continued)*

### *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 US\$300 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.

## CHAIRMAN'S STATEMENT *(Continued)*

### 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.

## CHAIRMAN'S STATEMENT *(Continued)*

### Appreciation

On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to all our management and all colleagues for their valuable contribution to the Group. Moreover, I would also like to express appreciation to our valued shareholders, customers and business partners who have stood by the Group.

On behalf of the Board  
**Goldin Financial Holdings Limited**  
**Pan Sutong**  
*Chairman*

Hong Kong, 25 February 2013



# CORPORATE GOVERNANCE AND OTHER INFORMATION

## 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).

## Directors' and Chief Executives' Interests in Securities

As at 31 December 2012, 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 of Hong Kong Limited (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	Corporate interests	Number of underlying shares held under equity derivatives (Note i)		
Mr. Pan Sutong	157,095,000	4,741,595,634 (Note iii)	–	4,898,690,634	70.23
Mr. Wong Hau Yan, Helvin	–	–	3,000,000	3,000,000	0.04
Mr. Zhou Dengchao	1,000,000	–	3,000,000	4,000,000	0.06
Ms. Hou Qin	1,560,000	–	3,000,000	4,560,000	0.07

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 6,974,791,992 shares of the Company in issue at 31 December 2012.

## CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

- (iii) The 4,741,595,634 shares of the Company comprise (a) 4,473,545,636 shares in the Company held by Goldin Global Holdings Limited (“GGH”); (b) 43,390,000 shares in the Company held by Clear Jade International Limited; and (c) 224,659,998 shares in the Company held by Goldin Equities Limited (“Goldin Equities”) which are wholly and beneficially owned by Mr. Pan Sutong (“Mr. Pan”), a non-executive Director and the chairman of the Board.

Goldin Equities is a wholly owned subsidiary and hence a controlled corporation of Goldin Investment Advisers Limited (“GIA”). GIA is a wholly owned subsidiary and hence a controlled corporation of Goldin Financial Investments Limited (“GFI”). GFI and GGH are wholly owned subsidiaries and hence the controlled corporations 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.

Save as disclosed above, as at 31 December 2012, 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 2012, 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:

<b>Name of shareholder</b> (Note i)	<b>Nature of interest</b>	<b>Number of shares/ underlying shares interested or deemed to be interested</b>	<b>Percentage to the issued share capital of the Company</b> (Note ii)
Goldin Global Holdings Limited	Beneficial owner	4,473,545,636	64.14
Goldin Investment Holdings Limited	Interest of controlled corporation	4,698,205,634	67.36
Goldin Real Estate Financial Holdings Limited	Interest of controlled corporations	4,698,205,634	67.36

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Notes:

- (i) Goldin Global Holdings Limited 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 Sutong, a non-executive director of the Company and the chairman of the Board whose interests in the shares of the Company are disclosed in the paragraph entitled “DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS IN SECURITIES” above.
- (ii) The percentage of interest in the issued share capital was calculated on the basis of 6,974,791,992 shares of the Company in issue at 31 December 2012.

Save as disclosed above, as at 31 December 2012, the Company had not been notified of any other persons (other than any directors or chief executives 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, options were granted to any participants as described in the Scheme entitling them to subscribe for shares of HK\$0.10 each in the capital of the Company. 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.

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)	Exercise price per share (HK\$)	Exercisable period (dd.mm.yyyy)	Number of share options				
				As at 1 July 2012	Granted during the period	Cancelled/ lapsed during the period	Exercised during the period	As at 31 December 2012
<b>Directors</b>								
Mr. Wong Hau Yan, Helvin	22.07.2009	0.654	22.01.2010 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2011 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2012 to 21.07.2019	1,000,000	-	-	-	1,000,000

## CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

Name of participant	Grant date (dd.mm.yyyy)	Exercise price per share (HK\$)	Exercisable period (dd.mm.yyyy)	Number of share options				
				As at 1 July 2012	Granted during the period	Cancelled/ lapsed/ during the period	Exercised during the period	As at 31 December 2012
Mr. Zhou Dengchao	22.07.2009	0.654	22.01.2010 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2011 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2012 to 21.07.2019	1,000,000	-	-	-	1,000,000
Ms. Hou Qin	22.07.2009	0.654	22.01.2010 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2011 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2012 to 21.07.2019	1,000,000	-	-	-	1,000,000
<b>Employees and others in aggregate (including directors of certain subsidiaries)</b>	22.07.2009	0.654	22.07.2009 to 21.07.2019	3,000,000	-	-	-	3,000,000
	22.07.2009	0.654	22.01.2010 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2011 to 21.07.2019	1,000,000	-	-	-	1,000,000
	22.07.2009	0.654	22.01.2012 to 21.07.2019	1,000,000	-	-	-	1,000,000
	23.07.2009	0.652	23.01.2010 to 22.07.2019	7,100,000	-	-	-	7,100,000
23.07.2009	0.652	23.01.2011 to 22.07.2019	7,560,000	-	-	-	7,560,000	
23.07.2009	0.652	23.01.2012 to 22.07.2019	10,080,000	-	-	-	10,080,000	
				39,740,000	-	-	-	39,740,000

### Purchase, Sale or Redemption of the Company's Listed Securities

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

## CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

### Specific Performance Obligations on Controlling Shareholder

On 26 November 2012, Smart Edge Limited (“Smart Edge”), an indirect non-wholly owned subsidiary of the Company as the borrower and Bank of Communications Co., Ltd. Hong Kong Branch (“BOCC”) as the lender had entered into a 4-year loan facility agreement (the “Loan Agreement”) of up to an aggregate amount of HK\$3,000 million, which includes a term imposing specific performance obligation on the controlling shareholder of the Company.

Pursuant to the Loan Agreement, Smart Edge agrees that Mr. Pan Sutong (“Mr. Pan”, who is the chairman of the board of directors and controlling shareholder of the Company) shall beneficially own at all times (i) not less than 40% of the issued share capital in Smart Edge; (ii) not less than 50% of the issued share capital in the Company; and (iii) not less than 50% of the issued share capital in Goldin Properties Holdings Limited (“Goldin Property”), a company listed on the main board of the Stock Exchange, and procure that Goldin Properties’s shares at all times be listed on the Stock Exchange.

It will be an event of default if the specific performance obligation is breached; and in such case, the bank shall declare all outstanding amounts together with interest accrued and all other sums payable by the Company to be immediately due and/or declare the facility terminated.

### 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 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.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION** *(Continued)*

- 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.

### **Change in Information of Directors**

Pursuant to Rule 13.51B(1) of the Listing Rules, (i) Mr. Tso Hon Sai, Bosco had retired as an independent non-executive director of the Company ("INED") and resigned as member of audit committee, remuneration committee and nomination committee of the Company with effect from the conclusion of annual general meeting of the Company held on 15 November 2012; (ii) Ms. Gao Min has been appointed as an INED and member of audit committee, remuneration committee and nomination committee of the Company with effect from the conclusion of annual general meeting of the Company held on 15 November 2012; and (iii) Professor Huang Xiaojian has been re-designated from a non-executive director of the Company to an executive director of the Company with effect from 30 November 2012.

Save as discoursed above, there is no changes of directors' biographical details required to be disclosed since the date of the 2011/12 annual report of the Company.

## CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

### 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.

### 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.

By Order of the Board  
**Goldin Financial Holdings Limited**  
**Pan Sutong**  
*Chairman*

Hong Kong, 25 February 2013

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 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)
<b>Profit for the period</b>		<b>804,505</b>	<b>82,347</b>
<b>Other comprehensive income</b>			
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
<b>Profit/(loss) attributable to:</b>			
Owners of the Company		493,373	(20,919)
Non-controlling interest		311,132	103,266
		804,505	82,347



CONDENSED CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (Continued)

For the six months ended 31 December 2012

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

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2012

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

**CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION (Continued)**

At 31 December 2012

	Notes	<b>31 December 2012 HK\$'000 (Unaudited)</b>	<b>30 June 2012 HK\$'000 (Audited)</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan from the immediate holding company	21(b)(iii)	–	972,334
Secured bank borrowing	16	<b>66,188</b>	–
Derivative financial instrument		<b>5,600</b>	11,500
Deferred tax liabilities		<b>369</b>	369
Total non-current liabilities		<b>72,157</b>	984,203
Net assets		<b>9,206,284</b>	4,530,646
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	17	<b>697,479</b>	332,133
Reserves		<b>6,635,320</b>	2,636,160
Non-controlling interest		<b>7,332,799</b> <b>1,873,485</b>	2,968,293 1,562,353
Total equity		<b>9,206,284</b>	4,530,646

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2012

	Attributable to owners of the Company								Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Other reserve HK\$'000	Exchange translation reserve HK\$'000	Share option reserve HK\$'000	Retained profits/ losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 July 2012 (audited)	332,133	2,837,971	(34,400)	74	9,832	(177,317)	2,968,293	1,562,353	4,530,646
Total comprehensive income/(loss) for the period	-	-	-	(489)	-	493,373	492,884	311,132	804,016
Rights issue	365,346	3,543,859	-	-	-	-	3,909,205	-	3,909,205
Share issue expenses	-	(37,583)	-	-	-	-	(37,583)	-	(37,583)
At 31 December 2012 (unaudited)	697,479	6,344,247	(34,400)	(415)	9,832	316,056	7,332,799	1,873,485	9,206,284
At 1 July 2011 (audited)	332,121	2,837,876	-	2,098	9,239	(256,797)	2,924,537	-	2,924,537
Total comprehensive income/(loss) for the period	-	-	-	(1,171)	-	(20,919)	(22,090)	103,266	81,176
Equity-settled share option arrangements	-	-	-	-	790	-	790	-	790
Transfer of share option reserve upon the forfeiture or expiry of share options	-	-	-	-	(8)	8	-	-	-
Issue of a derivative financial instrument	-	-	(24,200)	-	-	-	(24,200)	-	(24,200)
Loan from a non-controlling shareholder of a subsidiary	-	-	-	-	-	-	-	1,372,880	1,372,880
At 31 December 2011 (unaudited)	332,121	2,837,876	(24,200)	927	10,021	(277,708)	2,879,037	1,476,146	4,355,183

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2012

	Six months ended 31 December	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Net cash used in operating activities	<b>(334,692)</b>	(480,899)
Net cash from/(used in) investing activities		
Purchase of plant and equipment	<b>(875)</b>	(1,431)
Acquisition of intangible assets	–	(77,688)
Acquisition of investment property	–	(3,434,171)
Addition of vines	<b>(2,675)</b>	–
Interests received	<b>3,616</b>	4,694
	<b>66</b>	(3,508,596)
Net cash generated from financing activities		
Proceed from loan from immediate holding company	–	950,380
Proceed from loan from a non-controlling shareholder of a subsidiary	–	1,372,880
Proceed from bank borrowing	<b>66,000</b>	–
Proceeds from issue of shares	<b>2,873,249</b>	–
Share issue expenses	<b>(37,583)</b>	–
	<b>2,901,666</b>	2,323,260
Net increase/(decrease) in cash and cash equivalents	<b>2,567,040</b>	(1,666,235)
Cash and cash equivalents at beginning of the period	<b>84,754</b>	1,731,156
Effect of foreign exchange rate changes, net	<b>(1,124)</b>	(1,179)
Cash and cash equivalents at end of the period, represented by cash and bank balances	<b>2,650,670</b>	63,742

# 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 amendment to HKAS 1 *Presentation of Financial Statements – Presentation of items of Other Comprehensive Income* issued by HKICPA, which becomes 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.

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

*For the six months ended 31 December 2012*

### **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.

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

For the six months ended 31 December 2012

**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 HK\$'000 (Unaudited)	Financial investment HK\$'000 (Unaudited)	Winery and wine trading HK\$'000 (Unaudited)	Property HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Segment revenue:</b>					
Sales to external customers	56,651	-	92,512	-	149,163
<b>Segment results</b>	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 HK\$'000 (Unaudited)	Financial investment HK\$'000 (Unaudited)	Winery and wine trading HK\$'000 (Unaudited)	Property HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Segment revenue:</b>					
Sales to external customers	60,650	-	37,820	-	98,470
<b>Segment results</b>	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



NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2012

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)
<b>Revenue</b>		
Handling fee income and interest income from factoring services	56,651	60,650
Sale of wines	92,512	37,820
	<b>149,163</b>	<b>98,470</b>
<b>Other income</b>		
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
	<b>8,779</b>	<b>8,177</b>

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)
	<b>–</b>	<b>(74,836)</b>

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

For the six months ended 31 December 2012

**6. Other Gains and Losses**

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

**7. Finance Costs**

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

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

For the six months ended 31 December 2012

**8. Profit Before Tax**

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

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

**9. Income Tax Expenses**

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

**10. Dividend**

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

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

For the six months ended 31 December 2012

**11. Earnings/(Loss) Per Share**

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

	<b>Six months ended 31 December</b>	
	<b>2012 HK\$'000 (Unaudited)</b>	<b>2011 HK\$'000 (Unaudited)</b>
<b>Earnings</b>		
Profit/(loss) attributable to owner of the Company, used in the basic earnings/(loss) per share calculation	<b>493,373</b>	(20,919)

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

Note: The diluted loss per share amounts 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 of the rights issue (note 17) in the current period.

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

For the six months ended 31 December 2012

### 12. Investment Property

	HK\$'000
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
At 30 June 2012 and 1 July 2012 (audited)	3,900,000
Construction cost incurred	113,233
Finance cost capitalised (note 7)	36,813
Change in fair value	749,954
At 31 December 2012 (Unaudited)	4,800,000

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 to 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.

NOTES TO THE CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (Continued)

For the six months ended 31 December 2012

**14. Trade Receivables**

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

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

**15. Trade Payables**

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

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

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

*For the six months ended 31 December 2012*

### 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 followings 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.

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

For the six months ended 31 December 2012

**17. Share Capital**

Ordinary Shares

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

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

	<b>Number of shares in issue</b>	<b>Issued capital HK\$'000</b>
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 (Note)	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 and 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.



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

For the six months ended 31 December 2012

**18. Commitments**

The Group had the following capital commitments at the end of the reporting period:

	<b>31 December 2012 HK\$'000 (Unaudited)</b>	30 June 2012 HK\$'000 (Audited)
Contracted, but not provided for: Investment property	<b>241,063</b>	78,444
Authorised, but not contracted for: Investment property	<b>2,086,396</b>	2,362,146

**19. Pledge of Assets**

Details of the Group's bank loan which was secured by certain assets of the Group are included in note 16 to the condensed consolidated financial statements.

**20. Major Non-Cash Transactions**

- (a) During the current period, the interest on loan from the immediate holding company of HK\$42,127,000 was satisfied by a loan draw down of HK\$42,127,000 from the immediate holding company.
- (b) 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 together with the accrued interests 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.

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

For the six months ended 31 December 2012

**21. Related Party Transactions**

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

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

(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.

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

For the six months ended 31 December 2012

**21. Related Party Transactions (Continued)**

**(b) Outstanding balances with related parties (Continued)**

- (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 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 (1) equity interest of a subsidiary held by an entity beneficially owned by a substantial shareholder of the Company and (2) 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.

**(c) Compensation of key management personnel**

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

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

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.