



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

(Incorporated in Bermuda with limited liability)  
(Stock Code : 530)

**Interim Report 2017/18**



Beyond the impossible,  
**lies a world**

Rich with possibilities

突破常規 成就不可能

\* for identification purposes only

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# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. Pan Sutong (*Chairman*)

Professor Huang Xiaojian

Mr. Zhou Xiaojun

Ms. Hou Qin (resigned on 23 November 2017)

### Independent Non-executive Directors

Hon. Shek Lai Him Abraham (*GBS, JP*)

Ms. Hui Wai Man, Shirley

Mr. Tang Yiu Wing

Ms. Gao Min

## Board Committees

### Audit Committee

Ms. Hui Wai Man, Shirley (*Chairman of Audit Committee*)

Mr. Tang Yiu Wing

Ms. Gao Min

### Remuneration Committee

Mr. Tang Yiu Wing (*Chairman of Remuneration Committee*)

Ms. Hui Wai Man, Shirley

Ms. Gao Min

### Nomination Committee

Hon. Shek Lai Him Abraham (*GBS, JP*) (*Chairman of Nomination Committee*)

Mr. Pan Sutong

Ms. Hui Wai Man, Shirley

Ms. Gao Min

### Corporate Governance Committee

Mr. Pan Sutong (*Chairman of Corporate Governance Committee*)

Mr. Zhou Xiaojun

## Company Secretary

Ms. Lun Hau Mun

## Registered Office

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

### **Hong Kong Principal Place of Business**

25/F, Goldin Financial Global Centre  
17 Kai Cheung Road  
Kowloon Bay  
Hong Kong

### **Principal Bankers**

The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Wing Lung Bank, Limited

### **Auditors**

Ernst & Young

### **Share Registrar and Transfer Offices**

#### **Principal:**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

#### **Hong Kong Branch:**

Tricor Secretaries Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

### **Stock Code**

530

### **Investor Relations**

For more information about the Group, please visit our company website on [www.goldinfinancial.com](http://www.goldinfinancial.com)

or contact our Corporate Development Department at  
Email: [ir@goldinfinancial.com](mailto:ir@goldinfinancial.com)

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors ("Directors"), I hereby present to the shareholders the interim results of Goldin Financial Holdings Limited ("Goldin Financial" or the "Company") and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2017.

## Management Discussion and Analysis

### Results

During the six months ended 31 December 2017 ("the first half of FY2018" or "the period under review"), the Group recorded revenue of approximately HK\$372.9 million, representing an increase of 26.9% over the revenue of approximately HK\$293.7 million for the same period in the previous financial year ("FY2017"). The increase was mainly due to the increased revenues generated by our wine trading, restaurants and leasing businesses. Gross profit for the period under review amounted to HK\$269.5 million, which was a rise of 16.4% compared with the HK\$231.6 million for the same period in FY2017. The Group recorded a fair value gain of HK\$1,488.4 million for the investment property, Goldin Financial Global Centre in the current period, which approximated the amount of HK\$1,494.9 million recorded for same period in FY2017. Profit attributable to the owners of the Company was approximately HK\$996.0 million, which represented a slight increase of 4.1% compared with the approximately HK\$956.8 million for the first half of FY2017. The increase in profit attributable to the owners of the Company was largely offset by the increase in the finance costs for the period under review as a result of the completion of our Goldin Financial Global Center in October 2016 the related finance costs were no longer capitalized. During the six month period ended 31 December 2017, finance costs directly charged to income statement amounted to HK\$56.4 million, which was an increase of 195.3% compared to the amount of HK\$19.1 million for the same period in FY2017.

**Business Review**

**Real Estate Business**

Property Investment

According to Cushman & Wakefield, Hong Kong remained the most expensive prime office market in the world and specifically, the Greater Central district recorded the highest rents consecutively. This has continued to cause more multinational corporations and enterprises to decentralize from the Greater Central district and move to other districts for more attractive alternatives.

The Kowloon East has now become the prominent alternative central business district ("CBD2") in Hong Kong. In 2017, the net absorption in the Kowloon East accounted for 30% of the total net absorption (in sq ft of net floor area) in the grade-A office market. The growing popularity of the CBD2 has been evidenced by brisker office leasing and the fact that the district's net effective rent stayed firm for the year.<sup>#</sup>

The Group's investment property, Goldin Financial Global Centre is located in the CBD2 of Kowloon East. It is a grade-A office building with approximately 800,000 square feet of premium office space and 100,000 square feet of dining area. During the period under review, new office leasing activities continued to be transacted and we have secured a stronger and better tenant portfolio. We expect our occupancy rate to improve progressively in the year. During the first half of FY2018, rental and property management revenues amounted to HK\$29.1 million (first half of FY2017: HK\$4.1 million). In addition, the Group recorded a fair value gain of approximately HK\$1,488.4 million in respect of Goldin Financial Global Centre (first half of FY2017: HK\$1,494.9 million), owing to continuing appreciation in the value of the commercial properties in CBD2.

<sup>#</sup> Source: Statistics of CBRE and Knight Frank, January 2018

## CHAIRMAN'S STATEMENT (CONTINUED)

### Business Review (Continued)

#### Real Estate Business (Continued)

##### *Property Development*

##### *Ho Man Tin Sheung Shing Street Project*

The Group's 60%-owned project is situated at Sheung Shing Street, Ho Man Tin with a total site area of approximately 9,074 square metres. It has been planned that a top-class apartment complex with luxury club house facilities will be built, targeting high-end customers who enjoy a luxury home in the traditional high-class residential district. Over 400 private residential units will be built in the project that has total maximum gross floor area of approximately 586,000 square feet. The piling works at the site had been completed and foundation works are progressing well. The construction is expected to be completed by the end of 2020.

##### *Ho Man Tin Station Package One Development Project*

The Group's 50.1%-owned joint venture for development of the Ho Man Tin Station Package One Development Project, which is situated at the Ho Man Tin Station of Hong Kong's Mass Transit Railway ("MTR"), covered the maximum gross floor area of approximately 742,700 square feet. It has been planned that about 800 to 1,000 residential units will be constructed. The site's formation and foundation works are currently in progress and the construction is expected to be completed by the end of 2022.

#### Wine and Related Business

The wine industry in Hong Kong and the People's Republic of China ("PRC") continued to flourish. The wine re-exports were strong in Hong Kong, and had accounted for above 40% of the total annual wine imports in 2017. The 40% level had been attained since 2014. The remaining portion was made up by over HK\$6 billion<sup>#</sup> worth of wine imports per annum for local consumption or storage reserves for the city's gourmet and beverage sector. According to Euromonitor International, the robust wine sales in Hong Kong reached US\$1,543 million in 2016.

In the first half of FY2018, the Group continued to promote its premium fine wines in the overseas markets through the appointed distributors in order to enhance the visibility and branding. We had successfully harvested our grape crops at the beginning of the devastating wildfires in California in early October 2017 such that our 2017 vintage productions for our winery in the United States were not significantly impacted.

<sup>#</sup> Source: Hong Kong-Asia's Wine Hub – Trade statistics

**Business Review (Continued)**

**Wine and Related Business (Continued)**

In Hong Kong, our four specialties and fine-dining restaurants at the Goldin Financial Global Centre are in operation. Events with specially designed meals for wine and food pairing were held at these restaurants so as to introduce the Group's wines to the wine and food lovers. We offered a wider variety of wine and liquor to cater for consumers' wider range of taste. We will gear our marketing efforts towards more young and affluent middle-class customers.

In the current period, the Group ceased the operation of the publication of a wine magazine known as "Le Pan" which has underperformed continuously. Accordingly, no revenue was generated by this operation during the six months ended 31 December 2017 (first half of FY2017: approximately HK\$0.1 million). Loss from this operation amounted to approximately HK\$0.2 million (first half of FY2017: approximately HK\$5.8 million).

During the first half of FY2018, the wine and related business (excluding the operation of publication of a magazine which the operation ceased during the current period) recorded revenues of approximately HK\$260.4 million (first half of FY2017: HK\$193.3 million). This increase of 34.7% over that of the same period in FY2017. The growth was mainly due to the increase in revenues generated by the wine trading and the restaurants businesses. Segment profit from our wine and related business was approximately HK\$107.9 million (first half of FY2017: HK\$79.1 million), which represented an increase of 36.4% over the same period in FY2017. This increase was mainly due to (i) the larger profit generated from the trading of wines compared to the same period in FY2017; and (ii) the disposal of a wine cellar in Tianjin in June 2017 which lead to the decrease in expenses.

**Factoring**

China's factoring market was characterized by strong competition from an increasing number of registered domestic commercial factors and the persistently low short-term lending rates. Accordingly, our factoring business continued to face challenges. For the first half of FY2018, our factoring business recorded revenue of approximately HK\$83.4 million (the same period in FY2017: HK\$96.4 million), down by 13.5%, while profit from this business segment increased by 35.0% to approximately HK\$91.4 million, compared with the HK\$67.7 million for the same period of FY2017. This increase in profit was mainly because the Group had reduced the commission fees paid to the import factors as well as the recording of an exchange gain of approximately HK\$20.9 million for the factoring segment in the current period.



## CHAIRMAN'S STATEMENT (CONTINUED)

### Financial Review

#### Liquidity, Financial Resources and Gearing

As at 31 December 2017, the Group's working capital stood at approximately HK\$11,454.1 million, representing a decrease of 4.5% over the HK\$11,998.3 million figure recorded on 30 June 2017. Cash and cash equivalents totalled approximately HK\$282.3 million, down by 42.2% over the HK\$488.7 million on 30 June 2017.

As at 31 December 2017, the Group had outstanding bank loans of approximately HK\$14,653.6 million (30 June 2017: HK\$14,338.7 million). The Group maintained a borrowing facility of US\$500 million (equivalent to HK\$3,907.5 million) from a related company in which Mr. Pan Sutong, the controlling shareholder of the Company, has a beneficial interest. During the current period, the Group repaid approximately HK\$529.4 million which were drawn down in prior year for financing the acquisition of the Group's properties under development. As a result, the amount of the facilities utilised as at 31 December 2017 was lowered to approximately US\$0.4 million (equivalent to HK\$3.4 million) (30 June 2017: US\$66.8 million (equivalent to HK\$518 million)). The undrawn borrowing facility as at 31 December 2017 was approximately US\$499.6 million (equivalent to HK\$3,904.1 million) (30 June 2017: US\$433.2 million (equivalent to HK\$3,357 million)). As at 31 December 2017, the Group also had an outstanding loan from a non-controlling interest of approximately HK\$518.3 million (30 June 2017: HK\$518.3 million), which represented the funding contribution from the joint venture partner for financing the acquisition of the Group's properties under development in prior year.

As at 31 December 2017, the debt-to-total assets ratio, which is calculated as total bank and other borrowings divided by total assets of the Group, was maintained at a healthy level of 41.1%, when compared with 42.9% as at 30 June 2017. The ratio of net debts (total bank and other borrowings net of cash and bank balances) divided by total assets was approximately 40.3% (30 June 2017: 41.5%).

#### Foreign Exchange

As the Group's key operations are located in Hong Kong, China, the US and France, its major assets and liabilities are primarily denominated in HK\$, RMB, US\$ and Euro. While we have yet to establish a formal foreign currency hedging policy, we will, as always, continue to monitor our exposure to foreign exchange fluctuations carefully and may introduce appropriate hedging measures should the need ever arise.

## Financial Review (Continued)

### Contingent Liabilities

As at 31 December 2017, the banking facilities granted to certain property development subsidiaries and a property investment subsidiary, which are subject to guarantees given to the bank by the Company for up to 50.1% and 60% of funds drawn down, had been utilized to the extent of HK\$8,577.7 million (30 June 2017: HK\$8,402.6 million).

### Pledge of Assets

As at 31 December 2017, the Group's secured bank loans were secured by (i) the investment property with an aggregate carrying value of HK\$16,800 million (30 June 2017: HK\$15,300 million); (ii) the properties under development with an aggregate carrying value of HK\$7,000 million (30 June 2017: HK\$6,756 million); (iii) the entire share capital of Smart Edge Limited, a 60%-owned subsidiary which holds the investment property; and (iv) the entire share capital of Gold Topmont Limited, a 60%-owned subsidiary of the Company which holds the properties under development.

In addition, the Group pledged its prepaid land lease payments with a net carrying amount of HK\$48 million (30 June 2017: HK\$48 million) and buildings with a net carrying amount of HK\$1,657 million (30 June 2017: HK\$1,608 million) for a banking facility granted but not yet utilized as at 30 June 2017 and 31 December 2017.

## Prospect

### Real Estate Business

#### Property Investment

The strong demand for grade-A office spaces will continue amid the steady economic growth and robust market sentiments in Hong Kong. The CBD2 in Kowloon East meets the needs of the commercial sector by offering appealing, cost-efficient and modernized office spaces. We anticipate that the potential tenant base for the district will become more diverse following the establishment of cowork centres which are targeted at users of the micro and small-sized offices. We therefore expect demand for office space in the CBD2 to continue to grow. Kowloon East will be positioned as an ideal business location that meets the corporations' requirements.

We are positive about the medium and long-term prospect of Kowloon East and remain confident that Goldin Financial Global Centre will generate a steady stream of rental income in the future.

## CHAIRMAN'S STATEMENT (CONTINUED)

### Prospect (Continued)

#### Real Estate Business (Continued)

##### *Property Development*

The Ho Man Tin district is renowned for a school network and luxury residences. The target commissioning date of the Shatin to Central Link (phase 1), which will run through the Ho Man Tin Station, is mid-2019. Henceforth, the locality of the Ho Man Tin district will be enhanced as the Ho Man Station will be the key interchange station in the heart of Kowloon. We are optimistic about the future revenues that the Group will generate upon the completion of the projects.

We remain confident that the Group's real estate business will continue to be prosperous as it is bolstered by Goldin Financial Global Centre in terms of investment value and rental income and the contribution from the new residential property developments.

#### Wine and Related Business

Wine shortage looms large in the global wine industry. In 2017, the major wine-producing countries that yielded half of the wine in the world recorded low production. This was expected to cause the global wine production to drop by 8.2%#. Besides, the aftermath by the wildfires that crippled California's wine region is yet to be assessed. After all, the price of imported wines in Hong Kong from the principal wine-producing countries has already been driven up, as evidenced by the 28% rise in the average cost per litre of wine for the first eleven months of 2017 based on the trade statistics.

We will carefully monitor our purchase management for the fine wines in view of the fluctuations in the wine prices. Meanwhile, we will continue our effort in building a stronger market position by offering a larger variety of wine and liquor to the high-end to mid-range prospective clientele. The Group will continue to expand its wine retail business to tap the local market. Our restaurant business at the Goldin Financial Global Centre offer delectable cuisines with food and wine pairing service.

# *Source: International Organisation of Vine and Wine – Global Economic Vitiviniculture Data (October 2017)*

**Prospect (Continued)**

**Wine and Related Business (Continued)**

To tap the growing wine market in China and Hong Kong, the Group's wine-trading business will continue to develop steadily, aiming for a wider market coverage in China's key cities. The extension of instant customs clearance to all the customs posts in China has further benefitted wine re-exports from Hong Kong under the CEPA (Closer Economic Partnership Arrangement). Wine trading business will be bolstered by the faster logistics and extensive geographical network across the country.

The Group will continue to explore other possibilities in the wine business and other related businesses in order to increase its market penetration in China and Hong Kong.

**Factoring**

China's domestic factoring industry is comprised of bank factoring which is regulated by the China Banking Regulatory Commission ("CBRC") and commercial factoring which is regulated by the Ministry of Commerce in the PRC. In the medium-term, the regulation of bank factoring and commercial factoring will be streamlined and administered by a single authority – CBRC. The centralized directions and the convergence of policies on bank factoring and non-bank factoring as part of the planned reform of the domestic factoring markets will be beneficial to the further development of the country's factoring industry.

We will strive to maintain the competitive edge of our factoring business and continue our prudent approach to managing risks and selecting clients. We will also explore possibilities of forming new ventures and cooperating with other commercial factors and financial institutions to develop new products and services in China's financial sector.

**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, 27 February 2018

## OTHER INFORMATION

### Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2017 (2016: Nil).

### Directors' and Chief Executives' Interests and Short Positions in Shares, underlying Shares and Debentures

As at 31 December 2017, the interests and short positions of the Directors and chief executives of the Company in the shares ("Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise required to be 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") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), are as follows:

### Long positions in the Shares and underlying Shares of the Company

Name of Directors	Notes	Number of Shares held		Number of underlying Shares	Total (Long Position)	% of the total issued Shares*
		Personal interests	Corporate interests			
Mr. Pan Sutong ("Mr. Pan")	1	225,163,000	4,714,821,634	–	4,939,984,634	70.67%
Professor Huang Xiaojian	2	–	–	3,000,000	3,000,000	0.04%
Mr. Zhou Xiaojun	2	–	–	2,000,000	2,000,000	0.03%

\* The percentage has been calculated based on 6,990,651,992 Shares in issue as at 31 December 2017.

**Directors' and Chief Executives' Interests and Short Positions in Shares, underlying Shares and Debentures (Continued)**

Notes:

1. The 4,714,821,634 Shares held by Mr. Pan through controlled corporations included:
  - (a) Goldin Real Estate Financial Holdings Limited ("Goldin Real Estate Financial Holdings") is deemed to be interested in 4,670,505,634 Shares, of which as to 4,473,545,636 Shares held by Goldin Global Holdings Limited and as to 196,959,998 Shares held by Goldin Equities Limited respectively. Both Goldin Global Holdings Limited and Goldin Equities Limited are indirect wholly owned subsidiaries of Goldin Real Estate Financial Holdings. Goldin Real Estate Financial Holdings is wholly owned by Mr. Pan.
  - (b) 44,316,000 Shares held by Clear Jade International Limited which is wholly owned by Mr. Pan.
2. The underlying Shares are the share options granted by the Company to the respective Directors, details of which are disclosed in the section headed "Share Option Schemes" below.

Save as disclosed above, so far as was known to the Directors, as at 31 December 2017, none of the Directors or chief executives of the Company had, pursuant to Divisions 7 and 8 of the Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interests or short positions in any shares, underlying shares or interest in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange, or any interests which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION (CONTINUED)

### Substantial Shareholders' Interests and Short Positions in Shares and underlying Shares

As at 31 December 2017, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had been notified of the following substantial shareholders' interests and short positions, representing 5% or more of the Company's issued share capital:

Name of shareholders	Notes	Capacity	Number of Shares held	Total (Long Position)	% of the total issued Shares*
Goldin Global Holdings Limited	1	Beneficial owner	4,473,545,636	4,473,545,636	63.99%
Mr. Pan Sutong	2	Interests held as beneficial owner and through controlled corporations	4,939,984,634	4,939,984,634	70.67%

\* The percentage has been calculated based on 6,990,651,992 Shares in issue as at 31 December 2017.

Notes:

1. Goldin Global Holdings Limited is a wholly-owned subsidiary of Goldin Investment Holdings Limited, which is, in turn, a 100% owned subsidiary of Goldin Real Estate Financial Holdings. Goldin Real Estate Financial Holdings is wholly owned by Mr. Pan.

2. The 4,714,821,634 Shares held by Mr. Pan through controlled corporations are as follows:

- (i) Goldin Real Estate Financial Holdings is deemed to be interested in a total of 4,670,505,634 Shares, as to which 4,473,545,636 Shares held by Goldin Global Holdings Limited (as disclosed in Note 1 above) and 196,959,998 Shares held by Goldin Equities Limited respectively.

Goldin Equities Limited is wholly owned by Goldin Investment Advisers Limited, which is, in turn, a 100% owned subsidiary of Goldin Financial Investment Limited. Goldin Financial Investment Limited is wholly owned by Goldin Investment Holdings Limited, which is, in turn, a wholly-owned subsidiary of Goldin Real Estate Financial Holdings.

- (ii) 44,316,000 Shares held by Clear Jade International Limited which is wholly owned by Mr. Pan.

**Substantial Shareholders' Interests and Short Positions in Shares and underlying Shares (Continued)**

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any person (other than a Director or chief executive of the Company or their respective close associates) of any interest and short position in the Shares and underlying Shares which were required to be recorded in the register kept under Section 336 of the SFO.

**Share Option Schemes**

The Company operates share option schemes for the purpose of providing incentives or rewards to the participants 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.

The share option scheme of the Company adopted on 28 January 2004 (the "2004 Scheme") was terminated at the annual general meeting of the Company held on 21 November 2013, and a new share option scheme (the "2013 Scheme") of the Company was adopted in substantially similar terms to those of the 2004 Scheme. Share options granted under the 2004 Scheme prior to its termination remained in force until they lapsed in accordance with the terms of the 2004 Scheme.

The total number of Shares which may be issued upon exercise of all share options to be granted under the 2013 Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the 2013 Scheme, being 697,499,199 Shares.



## OTHER INFORMATION (CONTINUED)

### Share Option Schemes (Continued)

Details of movements in the share options granted under the share option schemes of the Company during the six months ended 31 December 2017 are set out below:

#### 2004 Scheme

Name or category of participants	Date of grant	Exercise price per Share (HK\$)	Number of share options					As at 31 December 2017	Exercisable period
			As at 1 July 2017	Reclassified from "Director" to "Employees and others in aggregate"	Granted during the period	Lapsed during the period	Exercised during the period		
<b>Director</b>									
Ms. Hou Qin	22/07/2009	0.654	1,000,000	(1,000,000)	-	-	-	-	22/01/2010 - 21/07/2019
	22/07/2009	0.654	1,000,000	(1,000,000)	-	-	-	-	22/01/2011 - 21/07/2019
	22/07/2009	0.654	1,000,000	(1,000,000)	-	-	-	-	22/01/2012 - 21/07/2019
			3,000,000	(3,000,000)	-	-	-	-	
<b>Employees and others</b>									
in aggregate (including directors of certain subsidiaries)	22/07/2009	0.654	3,000,000	-	-	-	-	3,000,000	22/07/2009 - 21/07/2019
	22/07/2009	0.654	-	1,000,000	-	-	-	1,000,000	22/01/2010 - 21/07/2019
	22/07/2009	0.654	-	1,000,000	-	-	-	1,000,000	22/01/2011 - 21/07/2019
	22/07/2009	0.654	2,000,000	1,000,000	-	-	-	3,000,000	22/01/2012 - 21/07/2019
	23/07/2009	0.652	5,205,000	-	-	(210,000)	-	4,995,000	23/01/2010 - 22/07/2019
	23/07/2009	0.652	5,205,000	-	-	(210,000)	-	4,995,000	23/01/2011 - 22/07/2019
	23/07/2009	0.652	6,940,000	-	-	(280,000)	-	6,660,000	23/01/2012 - 22/07/2019
			22,350,000	3,000,000	-	(700,000)	-	24,650,000	
<b>TOTAL</b>			<b>25,350,000</b>	<b>-</b>	<b>-</b>	<b>(700,000)</b>	<b>-</b>	<b>24,650,000</b>	

Note: Ms. Hou Qin resigned as Director and remains her other offices within the Group. Therefore, the outstanding share options held by Ms. Hou upon her resignation were reclassified from the category of "Director" to "Employees and others in aggregate".

## Share Option Schemes (Continued)

## 2013 Scheme

Name or category of participants	Date of grant	Exercise price per Share (HK\$)	Number of share options						
			As at 1 July 2017	Reclassified from "Directors" to "Employees and others in aggregate"	Granted during the period	Lapsed during the period	Exercised during the period	As at 31 December 2017	Exercisable period
<b>Directors</b>									
Professor Huang Xiaojian	18/07/2014	3.098	900,000	-	-	-	-	900,000	18/07/2015 – 17/07/2024
	18/07/2014	3.098	900,000	-	-	-	-	900,000	18/07/2016 – 17/07/2024
	18/07/2014	3.098	1,200,000	-	-	-	-	1,200,000	18/07/2017 – 17/07/2024
Zhou Xiaojun	18/07/2014	3.098	600,000	-	-	-	-	600,000	18/07/2015 – 17/07/2024
	18/07/2014	3.098	600,000	-	-	-	-	600,000	18/07/2016 – 17/07/2024
	18/07/2014	3.098	800,000	-	-	-	-	800,000	18/07/2017 – 17/07/2024
Ms. Hou Qin	18/07/2014	3.098	900,000	(900,000)	-	-	-	-	18/07/2015 – 17/07/2024
	18/07/2014	3.098	900,000	(900,000)	-	-	-	-	18/07/2016 – 17/07/2024
	18/07/2014	3.098	1,200,000	(1,200,000)	-	-	-	-	18/07/2017 – 17/07/2024
			8,000,000	(3,000,000)	-	-	-	5,000,000	
<b>Associate of a Director and substantial shareholder of the Company</b>									
Ms. Pan Jenny Jing	18/07/2014	3.098	450,000	-	-	-	-	450,000	18/07/2015 – 17/07/2024
	18/07/2014	3.098	450,000	-	-	-	-	450,000	18/07/2016 – 17/07/2024
	18/07/2014	3.098	600,000	-	-	-	-	600,000	18/07/2017 – 17/07/2024
			1,500,000	-	-	-	-	1,500,000	
<b>Employees and others in aggregate (including directors of certain subsidiaries)</b>									
	18/07/2014	3.098	36,675,000	900,000	-	(2,925,000)	-	34,650,000	18/07/2015 – 17/07/2024
	18/07/2014	3.098	38,025,000	900,000	-	(3,375,000)	-	35,550,000	18/07/2016 – 17/07/2024
	18/07/2014	3.098	50,700,000	1,200,000	-	(4,500,000)	-	47,400,000	18/07/2017 – 17/07/2024
			125,400,000	3,000,000	-	(10,800,000)	-	117,600,000	
<b>TOTAL</b>			<b>134,900,000</b>	<b>-</b>	<b>-</b>	<b>(10,800,000)</b>	<b>-</b>	<b>124,100,000</b>	

## OTHER INFORMATION (CONTINUED)

### Share Option Schemes (Continued)

#### 2013 Scheme (Continued)

Notes:

- (1) The share options granted on 18 July 2014 (the "Date of Grant") are subject to a vesting period of 3 years starting from the 1st anniversary and becoming fully vested on the 3rd anniversary of the Date of Grant, and only exercisable upon vested and subject to the satisfactory performance/contribution of the grantees as may be determined by the Board.
- (2) Ms. Hou Qin resigned as Director and remains her other offices within the Group. Therefore, the outstanding share options held by Ms. Hou upon her resignation were reclassified from the category of "Directors" to "Employees and others in aggregate".

### Specific Performance Obligations on Controlling Shareholder

The Group has obtained banking facilities with certain banks with specific performance obligations on the controlling shareholder:

- (1) Smart Edge Limited, an indirect 60%-owned subsidiary of the Company, entered into a five-year term loan facility agreement of up to HK\$8,500 million which requires Mr. Pan to retain his control over the Company and remains as Chairman of the Board and a Director throughout the term of the loan agreement.
- (2) Gold Brilliant Investment Limited, an indirect 50.1%-owned subsidiary of the Company, entered into a one-year term loan facility agreement of up to approximately HK\$3,146.2 million which requires Mr. Pan to remain the chairman of the Company and a Director throughout the term of the loan agreement.
- (3) Gold Topmont Limited, an indirect 60%-owned subsidiary of the Company, entered into a four-year term loan facility agreement of up to HK\$7,191 million which requires Mr. Pan to retain his control over the Company and remains as Chairman of the Board and a Director throughout the term of the loan agreement.

### Code on Corporate Governance Practices

Throughout the six months ended 31 December 2017, the Company has complied with all the code provisions ("Code Provisions") of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except for the deviations with considered reason as explained below.

**Code on Corporate Governance Practices (Continued)**

Paragraph A.4.1 of the Code Provisions stipulated that non-executive directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors are not 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 would offer stability at the Board level whilst independence is safeguarded by the statutory provisions by way of rotation, retirement and re-election subject to the shareholders' approval. Thus, the Board considers that such provisions are sufficient to meet the underlying objectives of the relevant provisions of the Corporate Governance Code.

**Model Code for Directors' Securities Transactions**

The Company has adopted its own Model Code for Securities Transactions by Directors and Employees (the "Corporate Model Code"), which are on terms no less exacting than the required standards as set out in the Model Code in Appendix 10 to the Listing Rules. Employees who are likely in possession of unpublished inside information of the Company are also subject to the Corporate Model Code.

Upon specific enquiry by the Company, all Directors confirmed that they have complied with the required standards set out in the Corporate Model Code throughout the six months ended 31 December 2017.

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

During the six months ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

**Human Resources**

As at 31 December 2017, the Group had about 345 employees (2016: 305). Total staff costs for the six months ended 31 December 2017 were approximately HK\$68.8 million (2016: HK\$48.9 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.

## **OTHER INFORMATION (CONTINUED)**

### **Review by Audit Committee**

The Audit Committee of the Company, comprising Ms. Hui Wai Man, Shirley as chairman as well as Mr. Tang Yiu Wing and Ms. Gao Min as members, has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 31 December 2017.

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

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the date of the Company's Annual Report 2016/17 are set out below:

- (1) Ms. Hou Qin resigned as executive director of the Company with effect from 23 November 2017.
- (2) Hon. Shek Lai Him Abraham was appointed an independent non-executive director of Everbright Grand China Assets Limited, a company listed on the Main Board of the Stock Exchange, with effect from 16 January 2018.

He resigned as an independent non-executive director of Midas International Holdings Limited, a company listed on the Main Board of the Stock Exchange, on 26 January 2018 at 4 p.m..

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2017

		<b>Six months ended 31 December</b>	
	Notes	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited) (Restated)
<b>CONTINUING OPERATIONS</b>			
Revenue	4	<b>372,863</b>	293,731
Cost of sales		<b>(103,364)</b>	(62,110)
Gross profit		<b>269,499</b>	231,621
Other income	4	<b>1,191</b>	220
Increase in fair value of investment property	11	<b>1,488,379</b>	1,494,906
Selling and distribution expenses		<b>(3,671)</b>	(4,578)
Administrative expenses		<b>(109,966)</b>	(136,379)
Finance costs	5	<b>(56,392)</b>	(19,102)
<b>Profit before tax from continuing operations</b>	6	<b>1,589,040</b>	1,566,688
Income tax expense	7	<b>(26,354)</b>	(20,100)
<b>Profit for the period from continuing operations</b>		<b>1,562,686</b>	1,546,588
<b>DISCONTINUED OPERATION</b>			
Loss for the period from a discontinued operation	8	<b>(227)</b>	(5,839)
<b>Profit for the period</b>		<b>1,562,459</b>	1,540,749
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<b>158,087</b>	(191,902)
<b>Total comprehensive income for the period</b>		<b>1,720,546</b>	1,348,847

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 31 December 2017

		<b>Six months ended 31 December</b>	
Note	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited) (Restated)	
<b>Profit for the period attributable to:</b>			
	<b>995,966</b>	956,804	
Owners of the Company			
	<b>566,493</b>	583,945	
Non-controlling interests			
	<b>1,562,459</b>	1,540,749	
<b>Total comprehensive income attributable to:</b>			
	<b>1,154,053</b>	764,902	
Owners of the Company			
	<b>566,493</b>	583,945	
Non-controlling interests			
	<b>1,720,546</b>	1,348,847	
<b>Earnings per share attributable to owners of the Company</b>			
	10		
Basic			
– For profit for the period	<b>HK14.25 cents</b>	HK13.69 cents	
– For profit from continuing operations	<b>HK14.25 cents</b>	HK13.77 cents	
Diluted			
– For profit for the period	<b>HK14.15 cents</b>	HK13.61 cents	
– For profit from continuing operations	<b>HK14.16 cents</b>	HK13.69 cents	

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Notes	<b>31 December 2017 HK\$'000 (Unaudited)</b>	30 June 2017 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>2,063,173</b>	2,018,419
Investment property	11	<b>16,800,000</b>	15,300,000
Prepaid land lease payments		<b>48,466</b>	47,127
Deferred tax assets		<b>15,155</b>	15,155
Intangible assets		<b>96,735</b>	96,279
Vines		<b>11,896</b>	13,535
Deposits		<b>5,414</b>	5,414
<b>Total non-current assets</b>		<b>19,040,839</b>	17,495,929
<b>CURRENT ASSETS</b>			
Inventories		<b>293,317</b>	339,545
Properties under development		<b>13,506,684</b>	13,138,517
Prepayments, deposits and other receivables		<b>33,125</b>	23,901
Trade receivables	12	<b>3,782,582</b>	4,386,039
Due from a related company		<b>1,928</b>	1,910
Cash and bank balances		<b>282,267</b>	488,689
<b>Total current assets</b>		<b>17,899,903</b>	18,378,601
<b>CURRENT LIABILITIES</b>			
Trade payables	13	<b>380,373</b>	589,286
Accruals, other payables and receipts in advance		<b>763,259</b>	679,499
Due to related companies		<b>1,185,151</b>	1,192,857
Due to non-controlling shareholders		<b>139,667</b>	121,796
Due to the immediate holding company		<b>221,059</b>	570,435
Tax payable		<b>89,266</b>	82,306
Interest-bearing bank borrowings		<b>3,148,782</b>	3,144,118
Loan from a non-controlling shareholder		<b>518,296</b>	–
<b>Total current liabilities</b>		<b>6,445,853</b>	6,380,297
<b>NET CURRENT ASSETS</b>		<b>11,454,050</b>	11,998,304
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>30,494,889</b>	29,494,233



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2017

	Note	<b>31 December 2017 HK\$'000 (Unaudited)</b>	30 June 2017 HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		<b>11,504,807</b>	11,194,595
Loan from a related company		<b>3,417</b>	517,605
Loan from a non-controlling shareholder		–	518,296
Deferred tax liabilities		<b>21,701</b>	20,656
Total non-current liabilities		<b>11,529,925</b>	12,251,152
Net assets		<b>18,964,964</b>	17,243,081
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	14	<b>699,065</b>	699,065
Reserves		<b>12,460,606</b>	11,305,216
		<b>13,159,671</b>	12,004,281
Non-controlling interests		<b>5,805,293</b>	5,238,800
Total equity		<b>18,964,964</b>	17,243,081

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2017

	Attributable to owners of the Company								Total equity HK\$'000
	Share capital HK\$'000	Share premium account HK\$'000	Other reserve HK\$'000	Exchange translation reserve HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 July 2017 (audited)	699,065	6,362,535	(30,304)	(330,722)	194,077	5,109,630	12,004,281	5,238,800	17,243,081
Profit for the period	-	-	-	-	-	995,966	995,966	566,493	1,562,459
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	158,087	-	-	158,087	-	158,087
Total comprehensive income for the period	-	-	-	158,087	-	995,966	1,154,053	566,493	1,720,546
Equity-settled share option arrangements	-	-	-	-	1,337	-	1,337	-	1,337
Transfer of share option reserve upon the lapse of share options	-	-	-	-	(13,904)	13,904	-	-	-
<b>At 31 December 2017 (unaudited)</b>	<b>699,065</b>	<b>6,362,535</b>	<b>(30,304)</b>	<b>(172,635)</b>	<b>181,510</b>	<b>6,119,500</b>	<b>13,159,671</b>	<b>5,805,293</b>	<b>18,964,964</b>
At 1 July 2016 (audited)	698,965	6,361,692	(33,461)	(300,473)	167,735	3,592,370	10,486,828	3,957,810	14,444,638
Profit for the period	-	-	-	-	-	956,804	956,804	583,945	1,540,749
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	-	(191,902)	-	-	(191,902)	-	(191,902)
Total comprehensive income for the period	-	-	-	(191,902)	-	956,804	764,902	583,945	1,348,847
Deemed disposals of subsidiaries without change in control	-	-	3,156	-	-	-	3,156	(3,156)	-
Equity-settled share option arrangements	-	-	-	-	14,397	-	14,397	-	14,397
Transfer of share option reserve upon the lapse of share options	-	-	-	-	(1,265)	1,265	-	-	-
At 31 December 2016 (unaudited)	698,965	6,361,692	(30,305)	(492,375)	180,867	4,550,439	11,269,283	4,538,599	15,807,882

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2017

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Net cash flows from/(used in) in operating activities	<b>616,150</b>	(675,031)
Net cash flows used in investing activities		
Purchase of items of property, plant and equipment	<b>(6,356)</b>	(63,362)
Increase in investment property	–	(178,031)
Addition to vines	<b>(1,750)</b>	(2,825)
Proceeds from disposal of items of property, plant and equipment	<b>157</b>	138
Interests received	<b>56</b>	12
	<b>(7,893)</b>	(244,068)
Net cash flows from/(used in) financing activities		
Decrease in an amount due to the immediate holding Company	<b>(349,376)</b>	–
Decrease in amounts due to related companies	<b>(2,229)</b>	–
Increase in amounts due to non-controlling shareholders	<b>17,871</b>	–
Proceeds from bank borrowings	<b>103,226</b>	149,760
Loan from a related company	–	48,366
Loans from non-controlling shareholders	–	1,567,456
Repayment of a loan from a related company	<b>(529,434)</b>	–
Repayment of bank borrowings	<b>(2,427)</b>	(878)
Interest and other finance charges paid	<b>(53,543)</b>	(70,526)
	<b>(815,912)</b>	1,694,178
Net increase/(decrease) in cash and cash equivalents	<b>(207,655)</b>	775,079
Cash and cash equivalents at beginning of the period	<b>488,689</b>	84,854
Effect of foreign exchange rate changes, net	<b>1,233</b>	(151)
Cash and cash equivalents at end of the period, represented by cash and bank balances	<b>282,267</b>	859,782

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2017

## 1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and 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”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 30 June 2017.

## 2. Significant Accounting Policies

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2017, except for the adoption of the following revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA, which are effective for the first time for the Group’s annual periods beginning on or after 1 July 2017.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014–2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

The adoption of the above revised HKFRSs has no significant financial effect on these condensed consolidated financial statements.

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

For the six months ended 31 December 2017

### 3. Operating Segment Information

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

#### Continuing operations

- (a) the property segment engages in property development and investment;
- (b) the winery and wine related segment engages in trading of wines, wine storage, operation of vineyards and operation of restaurants;
- (c) the factoring segment engages in the provision of factoring services;
- (d) the financial investments segment engages in securities and derivatives investment and trading and investment in financial instruments; and

#### Discontinued operation

- (e) the publication of a wine magazine which was previously included in the winery and wine related segment.

The following tables present revenue and profit information for the Group's business segments from the continuing operations for the six months ended 31 December 2017 and 31 December 2016, respectively.

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

For the six months ended 31 December 2017

### 3. Operating Segment Information (Continued)

#### For the six months ended 31 December 2017

	Winery and		Financial		Consolidated
	Property	wine related	Factoring	investments	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Segment revenue:</b>					
Sales to external customers from continuing operations	29,081	260,396	83,386	-	372,863
<b>Segment results:</b>	<b>1,476,434</b>	<b>107,871</b>	<b>91,419</b>	<b>(604)</b>	<b>1,675,120</b>
<i>Reconciliations:</i>					
Unallocated other income					56
Corporate administrative expenses					(29,744)
Finance costs					(56,392)
Profit before tax from continuing operations					<b>1,589,040</b>

#### For the six months ended 31 December 2016

	Winery and		Financial		Consolidated
	Property	wine related	Factoring	investments	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)			(Restated)
<b>Segment revenue:</b>					
Sales to external customers from continuing operations	4,094	193,262	96,375	-	293,731
<b>Segment results:</b>	<b>1,481,425</b>	<b>79,072</b>	<b>67,689</b>	<b>(868)</b>	<b>1,627,318</b>
<i>Reconciliations:</i>					
Unallocated other income					12
Corporate administrative expenses					(41,540)
Finance costs					(19,102)
Profit before tax from continuing operations					<b>1,566,688</b>

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

For the six months ended 31 December 2017

### 4. Revenue and Other Income

An analysis of revenue and other income from continuing operations is as follows:

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited) (Restated)
<b>Revenue</b>		
Handling fee income and interest income from factoring services	<b>83,386</b>	96,375
Sales of wine	<b>221,617</b>	185,162
Storage fee income	<b>8,179</b>	4,472
Restaurant operations	<b>30,600</b>	3,628
Rental income	<b>24,046</b>	4,094
Property management fee income	<b>5,035</b>	–
	<b>372,863</b>	293,731
<b>Other income</b>		
Bank interest income	<b>56</b>	12
Others	<b>1,135</b>	208
	<b>1,191</b>	220

### 5. Finance Costs

An analysis of finance costs from continuing operations is as follows:

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Interests on bank and other borrowings	<b>280,787</b>	148,223
Less: Interest capitalised	<b>(224,395)</b>	(129,121)
	<b>56,392</b>	19,102

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

For the six months ended 31 December 2017

### 6. Profit Before Tax

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

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited) (Restated)
Depreciation of property, plant and equipment	<b>35,062</b>	46,755
Less: Amount included in inventory overheads	<b>(2,412)</b>	(2,387)
	<b>32,650</b>	44,368
Amortisation of intangible assets	<b>458</b>	454
Amortisation of prepaid land lease payments	<b>656</b>	1,183
Gain on disposal of items of property, plant and equipment	–	(9)
Foreign exchange differences, net	<b>(37,236)</b>	(28,465)

### 7. Income Tax Expense

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Current – Hong Kong Charge for the period	<b>13,000</b>	13,600
Current – Elsewhere Charge for the period	<b>13,354</b>	6,500
Tax charge for the period from continuing operations	<b>26,354</b>	20,100



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

For the six months ended 31 December 2017

### 8. Discontinued Operation

During the period ended 31 December 2017, the Group decided to cease the operation of magazine publication. Accordingly, the publication of a wine magazine which was previously included in the winery and wine related segment was classified as a discontinued operation for the six months ended 31 December 2017.

The results of the discontinued operation for the period are presented as follows:

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Revenue	–	145
Cost of sales	–	(2)
Other income and gain	<b>4</b>	–
Selling and distribution expenses	–	(2,584)
Administrative expenses	<b>(231)</b>	(3,398)
Loss before tax from the discontinued operation	<b>(227)</b>	(5,839)
Income tax expense	–	–
Loss for the period from the discontinued operation	<b>(227)</b>	(5,839)
<b>Loss per share:</b>		
Basic, from the discontinued operation	–	HK0.08 cent
Diluted, from the discontinued operation	<b>HK0.01 cent</b>	HK0.08 cent

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

For the six months ended 31 December 2017

### 8. Discontinued Operation (Continued)

The calculations of basic and diluted loss per share from the discontinued operation are based on:

	<b>Six months ended 31 December</b>	
	<b>2017 (Unaudited)</b>	2016 (Unaudited)
Loss attributable to ordinary equity holders of the Company from the discontinued operation	<b>(HK\$227,000)</b>	(HK\$5,839,000)
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b>6,990,652,000</b>	6,989,652,000
Effect of dilution – weighted average number of ordinary shares:		
Share options	<b>45,579,000</b>	41,514,000
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	<b>7,036,231,000</b>	7,031,166,000

### 9. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2017 (six months ended 31 December 2016: Nil).

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

For the six months ended 31 December 2017

### 10. Earnings per Share

The calculation of the basic earnings per share is based on:

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
<b>Earnings</b>		
Profit/(loss) attributable to owners of the Company, used in the basic earnings/(loss) per share calculation:		
From continuing operations	<b>996,193</b>	962,643
From a discontinued operation	<b>(227)</b>	(5,839)

	<b>Number of shares Six months ended 31 December</b>	
	<b>2017 '000</b>	2016 '000
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	<b>6,990,652</b>	6,989,652
Effect of dilution – weighted average number of ordinary shares:		
Share options	<b>45,579</b>	41,514
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	<b>7,036,231</b>	7,031,166

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

For the six months ended 31 December 2017

### 11. Investment Property

	<b>HK\$'000</b>
At 1 July 2016 (audited)	12,500,000
Additions	478,292
Change in fair value	2,321,708
At 30 June 2017 and 1 July 2017 (audited)	15,300,000
Additions	11,621
Change in fair value	1,488,379
At 31 December 2017 (unaudited)	16,800,000

The Group's property interest held under an operating lease for rental purpose is measured using the fair value model and is classified and accounted for as investment property.

At 31 December 2017, the Group's investment property stated at fair value was revalued by B.I. Appraisals Limited (30 June 2017: Vigers Appraisal and Consulting Limited), an independent firm of professionally qualified valuers, on an open market, existing use basis.

The valuation is arrived at using the sales comparison method and is estimated by making reference to the sales transactions or asking price evidences of comparable properties as available in the market with adjustments made to account for any differences and where appropriate.

At 31 December 2017, the Group's investment property with a carrying value of HK\$16,800,000,000 (30 June 2017: HK\$15,300,000,000) was pledged to secure banking facilities granted to the Group.

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

For the six months ended 31 December 2017

### 12. Trade Receivables

The Group allows a credit period of 120 to 150 days for factoring services and 14 to 60 days for wine trading. The Group normally requires its customers to make payment of monthly charges in advance in relation to the leasing of its investment property and provision of property management services. An aged analysis of trade receivables, presented based on the invoice date except for factoring service, which is the date of provision of credit, is as follows:

	<b>31 December 2017 HK\$'000 (Unaudited)</b>	30 June 2017 HK\$'000 (Audited)
Less than 121 days	<b>2,844,303</b>	3,246,963
121 to 150 days	<b>929,242</b>	996,986
151 to 180 days	<b>957</b>	4,694
181 to 365 days	<b>7,972</b>	133,766
Over 1 year	<b>108</b>	3,630
	<b>3,782,582</b>	4,386,039

### 13. Trade Payables

An aged analysis of trade payables, presented based on the invoice date except for factoring service, which is the date the liabilities assumed by the Group, is as follows:

	<b>31 December 2017 HK\$'000 (Unaudited)</b>	30 June 2017 HK\$'000 (Audited)
Less than 121 days	<b>275,465</b>	442,042
121 to 150 days	<b>104,306</b>	146,422
181 to 365 days	–	822
Over 1 year	<b>602</b>	–
	<b>380,373</b>	589,286

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

For the six months ended 31 December 2017

### 14. Share Capital

#### Ordinary shares

	<b>31 December 2017 HK\$'000 (Unaudited)</b>	30 June 2017 HK\$'000 (Audited)
Authorised: 11,000,000,000 (30 June 2017: 11,000,000,000) ordinary shares of HK\$0.10 each	<b>1,100,000</b>	1,100,000
Issued and fully paid: 6,990,651,992 (30 June 2017: 6,990,651,992) ordinary shares of HK\$0.10 each	<b>699,065</b>	699,065

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

	<b>Number of shares in issue</b>	<b>Share capital HK\$'000</b>
At 1 July 2016 (audited)	6,989,651,992	698,965
Issue of shares upon exercise of share options	1,000,000	100
At 30 June 2017 (audited), 1 July 2017 (audited) and 31 December 2017 (unaudited)	6,990,651,992	699,065

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

For the six months ended 31 December 2017

### 15. Commitments

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

	<b>31 December 2017 HK\$'000 (Unaudited)</b>	30 June 2017 HK\$'000 (Audited)
Contracted, but not provided for: Properties under development	<b>2,417,629</b>	2,547,156

### 16. Related Party Transactions

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

	<b>Six months ended 31 December</b>	
	<b>2017 HK\$'000 (Unaudited)</b>	2016 HK\$'000 (Unaudited)
Transactions with related companies in which a substantial shareholder of the Company has beneficial interests:		
Sales of wines	<b>138</b>	930
Project management fees paid	<b>683</b>	1,754
Rental income	<b>6,993</b>	3,553
Property management fee income	<b>1,146</b>	–
Rental expenses	<b>32</b>	507
Sales of food and beverage	<b>1,190</b>	688
Interest expense	<b>8,978</b>	2,010

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

For the six months ended 31 December 2017

### 16. Related Party Transactions (Continued)

#### (b) 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	
	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Short-term employee benefits	4,656	4,536
Equity-settled share option expenses	87	931
	<b>4,743</b>	5,467

### 17. Fair Value of Financial Instruments

The Group did not have any financial assets and liabilities measured at fair value as at 31 December 2017 and 30 June 2017.

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in accruals, other payables and receipts in advance, a loan from a non-controlling shareholder and the current portion of interest-bearing bank borrowings, and balances with the immediate holding company, related companies and non-controlling shareholders approximate their carrying values largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



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

For the six months ended 31 December 2017

### **17. Fair Value of Financial Instruments (Continued)**

The fair value of the non-current portion of interest-bearing bank borrowings and a loan from a related company have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturity. The Group's own non-performance risk as at 31 December 2017 was assessed to be insignificant. The fair value approximated its carrying value as at 31 December 2017.

### **18. Comparative Amounts**

The comparative statement of profit or loss and segment information have been restated and presented as if the operation discontinued during the current period had been discontinued at the beginning of the comparative period (note 8).