



**GOLDIN FINANCIAL HOLDINGS LIMITED**

**高銀金融(集團)有限公司**

(Incorporated in Bermuda with limited liability)

(Stock Code : 530)

Beyond the Impossible,  
**Lies A World**  
Rich with Possibilities  
突破常規 • 成就不可能

Interim Report  
2018 / 19



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# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. Pan Sutong (*Chairman*)  
Professor Huang Xiaojian  
Mr. Zhou Xiaojun

### 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**

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

### **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 2018.

## Management Discussion and Analysis

### Results

During the six months ended 31 December 2018 ("the first half of FY2019" or "the period under review"), the Group recorded revenue of approximately HK\$321.4 million, which represents a decrease of 13.8% over the revenue of approximately HK\$372.9 million for the same period in the previous financial year ("FY2018"). The decrease was mainly due to a decline in revenue generated from the factoring and wine trading businesses, which was partially offset by the increase in rental income from Goldin Financial Global Centre. Gross profit for the period under review amounted to HK\$242.1 million, which was a decrease of 10.2% compared with the HK\$269.5 million for the same period in FY2018. The decrease in gross profit was mainly due to a decline in revenue for the period under review. The Group recorded a fair value gain of HK\$1,298.9 million from the investment property, Goldin Financial Global Centre in the period under review. The figure decreased by 12.7% compared with that of HK\$1,488.4 million recorded for the same period in FY2018. Profit attributable to the owners of the Company was approximately HK\$742.4 million, which represented a decrease of 25.5% compared with the approximately HK\$996.0 million for the first half of FY2018. The decrease in profit was mainly due to the decline in fair value gain from the investment property and the increase in the financing costs for the Group's property investment business compared with that of the same period for FY2018.

## Business Review

### Real Estate Business

#### Property Investment

The Grade-A office market in Hong Kong remained strong during the period under review. Office decentralization has been continuing its momentum as more corporations, including several high-profile and multi-national corporations, relocated their offices from the traditional core business areas to the office submarket for lower rents. In 2018, the office rentals in the Kowloon East district rose by 7%<sup>#</sup>. Kowloon East is a prominent alternative central business district ("CBD2") in Hong Kong.

The Group's investment property, Goldin Financial Global Centre, is located in the CBD2, Kowloon East. It is a premium grade-A office building, providing approximately 800,000 square feet (sq.ft.) of premium office space and approximately 100,000 sq.ft. of fine dining area. During the first half of FY2019, rental income and revenue from property management services together at Goldin Financial Global Centre amounted to HK\$72.9 million (first half of FY2018: HK\$29.1 million), up by 150.5% compared with the first half of FY2018, as more tenants moved into the premises and started to pay rents. In addition, the Group recorded a fair value gain of approximately HK\$1,298.9 million from Goldin Financial Global Centre (first half of FY2018: HK\$1,488.4 million). The fair value gain was 12.7% lower than that for the first half of FY2018. This is because the commercial properties in CBD2 appreciated to a lesser degree this year compared with that in the first half of FY2018.

#### Property Development

##### Property Development Project in Kai Tak Area

In November 2018, the Group's 60%-owned joint venture successfully tendered for the land parcel located at Kai Tak Area 4B Site 4, Kai Tak, Kowloon for approximately HK\$8,907 million. The Kai Tak land is located at a strategic location, which is at the center of the Hong Kong Government's Kai Tak Development project and will be accessible by the future Shatin-to-Central Link at Kai Tak MTR Station. A maximum gross floor area of 53,394 sq.m. can be constructed on the acquired land, which is designated for private residential property development. The Kai Tak Development project shall be completed and made fit for occupation on or before 30 September 2024.

<sup>#</sup> Source: Statistics of Knight Frank Research and CBRE Research, January 2019

### Business Review (Continued)

#### Real Estate Business (Continued)

Property Development (Continued)

##### *Two Property Development Projects in Ho Man Tin*

The Group's two property development projects in Ho Man Tin consists of (i) the 60%-owned residential property development project situated at Sheung Shing Street, Ho Man Tin with a maximum gross floor area of approximately 586,030 sq.ft.; (ii) the 50.1%-owned residential property development of the Ho Man Tin Station Package One Development Project, which is situated at Ho Man Tin Station of Hong Kong's Mass Transit Railway, which have the maximum gross floor area of approximately 742,700 sq.ft. The construction works of two development projects are progressing well and are expected to be completed by the end of 2020 and 2022 respectively.

In April 2018, the Group entered into the conditional sale and purchase agreements (as amended) in relation to the disposals of its entire interests in the two above-mentioned development projects in Ho Man Tin, which include the one in Sheung Shing Street ("GF Disposal") and the Ho Man Tin Station Package One Development Project ("RR Disposal"), and the acquisition of the remaining 40% interest in Goldin Financial Global Centre (which hereinafter are collectively referred to as the "Proposed Transactions"). As at the date of this report, the completion of the Proposed Transactions had been extended as the time required for the provision of the relevant consent(s) by independent third parties (being a condition precedent to each of the completion of the GF Disposal and the RR Disposal) is longer than expected.

#### Wine and Related Businesses

The China wine market has experienced explosive growth during the past couple of years. The growing wine consumption in China and increasing volume of annual wine imports have boosted the development of the country's wine trading industry. According to 中商情報網 (website of [www.AskCI.com](http://www.AskCI.com)), there were over 5,000 wine import merchants and distributors in China by the end of 2018. Competition in the market for imported wines intensified as innovative and convenient channels for wine sales such as wine chain stores, on-line wine chatroom and alcoholic beverage vending machines were gaining in popularity.

**Business Review (Continued)**

**Wine and Related Businesses (Continued)**

During the period under review, the Group continued to promote its premium fine wines by offering full services to customers, from the sourcing of prestige wines from renowned producers to portfolio management of premium wines and quality storage services at our well-equipped wine cellar in Guangzhou. We had also increased the portion of our self-produced wines in our goods for the sales in France in order to enhance their visibility and branding.

In Hong Kong, the four fine-dining and specialty restaurants at Goldin Financial Global Centre held wine pairing dinners with specially designed menus to introduce the Group's wines to local food and wine connoisseurs. Our restaurants offered a wide variety of wines and liquors to cater for local consumers' expanding tastes. In November 2018, we opened a new "Sip" café at Goldin Financial Global Centre. Inspired by green living, "Sip" brings the eco-consciousness to daily dining through fresh and healthy light refreshments.

During the first half of FY2019, the wine and related businesses recorded revenue of approximately HK\$180.2 million (first half of FY2018: HK\$260.4 million), which represented a year-on-year decrease of 30.8%. The drop was mainly due to the decrease in revenue generated by the wine trading business, which was partially offset by the increase in income from the wine storage business and revenue from the dining business. The uncertainty caused by the Sino-United States trade war and the increasingly volatile financial markets had dampened the investor sentiment. As a result, fewer premium wines were sold to the wine investors. Segment profit from our wine and related businesses dropped from HK\$107.6 million for the first half of FY2018 to approximately HK\$67.4 million for the period under review, representing a year-on-year decrease of 37.4%.



### Business Review (Continued)

#### Factoring

The Sino-United States trade war and the persistently strong competition in China's factoring market continued to exert pressure on our factoring business. In order to maintain its competitiveness, the Group further reduced its factoring commission charged to its customers since June 2018. For the first half of FY2019, our factoring business recorded revenue of approximately HK\$68.4 million (first half of FY2018: HK\$83.4 million), down by 18.0%. Profit from this business segment decreased by 28.2% year on year to approximately HK\$65.6 million, compared with the HK\$91.4 million for the first half of FY2018. The decrease in the segment profit was mainly due to the decrease in the factoring revenue as well as a significant exchange gain which was recorded in the first half of FY2018, whereas no such gain was recorded in the period under review.

### Financial Review

#### Liquidity, Financial Resources and Gearing

As at 31 December 2018, the Group's working capital stood at approximately HK\$6,822.5 million, representing an increase of 114.9% over the HK\$3,175.1 million figure recorded on 30 June 2018. Cash and cash equivalents totaled approximately HK\$61.1 million, down by 78.0% compared with the HK\$277.5 million on 30 June 2018, which was mainly because of the cash used for our property development business as well as the payments related to the acquisition of the piece of land in Kai Tak Area.

As at 31 December 2018, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$26,176.4 million (30 June 2018: HK\$16,899.6 million). The increase was mainly due to the increase of borrowings for financing the Group's real estate business. In addition, as at 31 December 2018, outstanding non-interest-bearing loans from the non-controlling shareholders were approximately HK\$2,266.1 million (30 June 2018: HK\$518.3 million), which were mainly for financing its property development project in Kai Tak and the Ho Man Tin MTR Station Package One Project.

The Group maintained a borrowing facility of US\$500 million (equivalent to HK\$3,915.6 million) (30 June 2018: US\$500 million (equivalent to HK\$3,922.7 million)) from a related company in which Mr. Pan Sutong, the controlling shareholder of the Company, has a beneficial interest. As at 31 December 2018, none of the amount of the facilities had been utilized (30 June 2018: US\$4.8 million (equivalent to HK\$37.9 million) were utilized).

## Financial Review (Continued)

### Liquidity, Financial Resources and Gearing (Continued)

As at 31 December 2018, the debt-to-total assets ratio, which is calculated as interest-bearing bank and other borrowings ("Total Debts") divided by total assets of the Group, was maintained at a healthy level of 53.7%, compared with 44.7% as at 30 June 2018. The ratio of net debts (Total Debts net of cash and bank balances) divided by total assets was approximately 53.6% (30 June 2018: 44.0%).

### Foreign Exchange

As the Group's key operations are in Hong Kong, China, the United States and France, its major assets and liabilities are primarily denominated in Hong Kong dollar, Renminbi, the US dollar and euro. While the Group has yet to formulate a formal policy on currency hedging, it will, as always, continue to monitor its exposure to foreign exchange fluctuations carefully and may introduce appropriate hedging measures should the need arise.

### Contingent Liabilities

As at 31 December 2018, the facilities granted to certain property development subsidiaries and a property investment subsidiary, which are subject to guarantees given to the banks and financial institution by the Company for up to 50.1% and 60% of funds drawn down, had been utilized to the extent of HK\$13,062.4 million (30 June 2018: HK\$9,881.3 million).

### Pledge of Assets

As at 31 December 2018, the Group's secured bank loans and other borrowings were secured by (i) the investment property with an aggregate carrying value of HK\$18,500 million (30 June 2018: HK\$17,200 million); (ii) the properties under development with an aggregate carrying value of HK\$24,089.3 million (30 June 2018: HK\$7,249.6 million); (iii) the entire share capital of Smart Edge Limited ("Smart Edge"), an indirect 60%-owned subsidiary which holds the investment property; (iv) all assets of Smart Edge; (v) the entire share capital of Gold Topmont Limited, Gold Brilliant Investment Limited and Rich Fast International Limited, which are indirect non-wholly owned subsidiaries of the Company that hold the properties under development.

In addition, the Group pledged its prepaid land lease payments with a net carrying amount of HK\$46.0 million (30 June 2018: HK\$48.5 million) and buildings with a net carrying amount of HK\$1,534.6 million (30 June 2018: HK\$1,616.5 million) for a banking facility granted but not yet utilized as at 30 June 2018 and 31 December 2018.

### Prospect

#### Real Estate Business

According to CBRE's research, new office space in Hong Kong that is scheduled for completion in 2019 will provide total 2.4 million sq.ft. to the market, of which over 40% is in Kowloon East. The forthcoming new supply of office space, especially that in Kowloon East, shall undoubtedly continue to incentivize more businesses to relocate from the traditional central business districts to alternative business districts to lower the rental costs. The growing trend towards office decentralization has been reflected by the high take-up of office space in the submarket for office. The Group will continue to recruit tenants from internationally well-known enterprises. It expects the occupancy rate of offices at Goldin Financial Global Centre will continue to rise steadily in the years ahead. We trust that the CBD2 in Kowloon East will remain promising as it is bolstered by Goldin Financial Global Centre in terms of investment value and rental income.

The Group's new residential development project at the Kai Tak Area has enhanced its property portfolio. We are anticipating that the Proposed Transactions in the Group's real estate business segment will be completed in the second half of FY2019. The completion of the Proposed Transactions is expected to realise the investments in the two Ho Man Tin development projects and to increase the Group's net asset value by capturing the relevant gains. In addition, the derecognition of borrowings from the disposal groups will improve the gearing and cash position of the Group and provide financial flexibility to capture potential new investment and business opportunities that may arise in the future. The Group has been from time to time exploring new investment opportunities with an aim to acquire high quality resources and businesses with growth potentials, which shall ultimately enhance the return of its shareholders.

#### Wine and Related Businesses

Recent negotiations between the United States and China's top officials to resolve their trade disputes have showed signs of progress and there was hope that the two countries can reach consensus and even some deals to help redress the trade imbalance. It is also hoped that the economy will be stabilised in the second half of FY2019 as the trade tension between the two countries is defused.

On the other hand, the global wine production for 2018 had rebounded by 13% from the historical low in 2017. The total wine production by the principal wine-producing countries reported double-digit growth<sup>#</sup>. In the light of the abundant new supply of wine on the market, competition in China's market for imported wines will continue to be strong in the second half of FY2019.

<sup>#</sup> Source: International Organisation of Vine and Wine — 2018 World Vitiviniculture Situation

**Prospect (Continued)**

**Wine and Related Businesses (Continued)**

The Group will continue to develop the wine-trading business and promote its premium wines in Hong Kong and China. The Group's restaurants at Goldin Financial Global Centre offer delectable cuisines with foods and wines meticulously prepared and selected by the chefs and sommelier team. The Group will enrich its wine list by introducing new and competitive fine wines of more brands to the local market.

Meanwhile, the Group will continue to explore other possibilities, including acquisitions in its wine and related businesses in order to increase its market penetration in Hong Kong and China, as well as internationally.

**Factoring**

China's commercial factoring industry is expected to remain competitive, and the operating environment will remain difficult in the light of the projected slowdown in global economic growth. The Group will strive to maintain the competitive edge of its factoring business and continue its prudent approach to managing risks and selecting clients.

**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 2019

## OTHER INFORMATION

### Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (2017: Nil).

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

As at 31 December 2018, 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 2018.

**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 2018, 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 2018, 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 2018.

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 2018, 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.

Details of movements in the share options granted under the share option schemes of the Company during the six months ended 31 December 2018 are set out below:

### 2004 Scheme

Category of participants	Date of grant	Exercise price per Share (HK\$)	Number of share options				As at 31 December 2018	Exercisable period
			As at 1 July 2018	Granted during the period	Lapsed during the period	Exercised during the period		
<b>Employees and others in aggregate</b>	22/07/2009	0.654	3,000,000	-	-	-	3,000,000	22/07/2009 – 21/07/2019
<b>(including directors of certain subsidiaries)</b>	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	3,000,000	-	-	-	3,000,000	22/01/2012 – 21/07/2019
	23/07/2009	0.652	4,995,000	-	-	-	4,995,000	23/01/2010 – 22/07/2019
	23/07/2009	0.652	4,995,000	-	-	-	4,995,000	23/01/2011 – 22/07/2019
	23/07/2009	0.652	6,660,000	-	-	-	6,660,000	23/01/2012 – 22/07/2019
<b>TOTAL</b>			<b>24,650,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,650,000</b>	



## OTHER INFORMATION (CONTINUED)

### 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 31 December 2018	Exercisable period
			As at 1 July 2018	Granted during the period	Lapsed during the period	Exercised during the 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
			5,000,000	-	-	-	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	34,590,000	-	(1,170,000)	-	33,420,000	18/07/2015 – 17/07/2024
	18/07/2014	3.098	35,490,000	-	(1,170,000)	-	34,320,000	18/07/2016 – 17/07/2024
	18/07/2014	3.098	47,320,000	-	(1,560,000)	-	45,760,000	18/07/2017 – 17/07/2024
			117,400,000	-	(3,900,000)	-	113,500,000	
<b>TOTAL</b>			<b>123,900,000</b>	<b>-</b>	<b>(3,900,000)</b>	<b>-</b>	<b>120,000,000</b>	

Note: 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.

### Specific Performance Obligations on Controlling Shareholder

As at 31 December 2018, the Group has obtained banking facilities with certain banks with specific performance obligations on the controlling shareholder:

- (1) 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.
- (2) Gold Brilliant Investment Limited, an indirect 50.1%-owned subsidiary of the Company, entered into a 42-month term and revolving loan facilities of up to HK\$8,230 million which requires (i) Mr. Pan to retain his control over the Company; and (ii) remains as Chairman of the Board or an executive Director of the Company, or maintains management control over the Company throughout the term of the loan agreement.
- (3) Rich Region Holdings Limited, a 60%-owned subsidiary of the Company, entered into a six-month term loan facility of up to HK\$3,300 million which requires Mr. Pan to remain his control over the Company throughout the term of the loan agreement.

### Code on Corporate Governance Practices

Throughout the six months ended 31 December 2018, 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.

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.

## **OTHER INFORMATION (CONTINUED)**

### **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 2018.

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

During the six months ended 31 December 2018, 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 2018, the Group had about 310 employees (2017: 345). Total staff costs for the six months ended 31 December 2018 were approximately HK\$71.4 million (2017: HK\$68.8 million). The remuneration policy and package of the Group's employees are structured in accordance to market terms and statutory requirements where appropriate. In addition, the Group also provides other staff benefits such as medical insurance, mandatory provident fund and share options to motivate and reward employees at all levels to achieve the Group's business performance targets.

### **Review by Audit Committee**

The Audit Committee 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 2018.

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

For the six months ended 31 December 2018

		<b>Six months ended 31 December</b>	
	Notes	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited) (Restated)
Revenue	4	<b>321,439</b>	372,863
Cost of sales		<b>(79,358)</b>	(103,364)
Gross profit		<b>242,081</b>	269,499
Other income and gain	4	<b>2,304</b>	1,195
Increase in fair value of investment property	10	<b>1,298,850</b>	1,488,379
Selling and distribution expenses		<b>(4,295)</b>	(3,671)
Administrative expenses		<b>(126,549)</b>	(110,197)
Finance costs	5	<b>(248,477)</b>	(56,392)
<b>Profit before tax</b>	6	<b>1,163,914</b>	1,588,813
Income tax expense	7	<b>(24,834)</b>	(26,354)
<b>Profit for the period</b>		<b>1,139,080</b>	1,562,459
<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>(181,323)</b>	158,087
<b>Total comprehensive income for the period</b>		<b>957,757</b>	1,720,546
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>742,439</b>	995,966
Non-controlling interests		<b>396,641</b>	566,493
		<b>1,139,080</b>	1,562,459
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>561,116</b>	1,154,053
Non-controlling interests		<b>396,641</b>	566,493
		<b>957,757</b>	1,720,546
<b>Earnings per share attributable to owners of the Company</b>	9		
Basic – For profit for the period		<b>HK10.62 cents</b>	HK14.25 cents
Diluted – For profit for the period		<b>HK10.59 cents</b>	HK14.15 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	Notes	31 December 2018 HK\$'000 (Unaudited)	30 June 2018 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,919,022	2,015,681
Investment property	10	18,500,000	17,200,000
Prepaid land lease payments		44,684	47,171
Intangible assets		112,452	113,416
Vines		13,418	13,671
Deposits		1,770	1,098
Total non-current assets		20,591,346	19,391,037
<b>CURRENT ASSETS</b>			
Inventories		170,037	189,488
Properties under development	11	24,089,269	13,876,461
Prepayments, deposits and other receivables		19,316	46,354
Trade receivables	12	3,835,349	3,989,967
Due from a related company		10	753
Cash and bank balances		61,128	277,529
Total current assets		28,175,109	18,380,552
<b>CURRENT LIABILITIES</b>			
Trade payables	13	470,647	416,149
Accruals, other payables and receipts in advance		657,539	651,504
Due to related companies		1,199	25,717
Due to non-controlling shareholders		245,590	95,648
Due to the immediate holding company		—	45,324
Tax payable		85,139	99,616
Interest-bearing bank and other borrowings	14	17,626,396	13,353,149
Loan from non-controlling shareholders		2,266,113	518,296
Total current liabilities		21,352,623	15,205,403
<b>NET CURRENT ASSETS</b>		<b>6,822,486</b>	<b>3,175,149</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>27,413,832</b>	<b>22,566,186</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2018

Note	<b>31 December 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
<b>NON-CURRENT LIABILITIES</b>		
	<b>38,178</b>	38,178
Rental deposits		
Interest-bearing bank and other borrowings 14	<b>8,549,987</b>	3,546,413
Loan from a related company	—	37,877
Deferred tax liabilities	<b>20,767</b>	21,228
Total non-current liabilities	<b>8,608,932</b>	3,643,696
Net assets	<b>18,804,900</b>	18,922,490
<b>EQUITY</b>		
Equity attributable to owners of the Company		
Share capital	<b>699,065</b>	699,065
Reserves	<b>13,167,704</b>	12,606,588
Non-controlling interests	<b>13,866,769</b>	13,305,653
	<b>4,938,131</b>	5,616,837
Total equity	<b>18,804,900</b>	18,922,490

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2018

	Attributable to owners of the Company									
	Share capital	Share premium account	Statutory surplus reserve	Other reserve	Exchange translation reserve	Share option reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2018 (audited)	699,065	6,362,535	20,655	(30,304)	(232,951)	181,256	6,305,397	13,305,653	5,616,837	18,922,490
Profit for the period	—	—	—	—	—	—	742,439	742,439	396,641	1,139,080
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	—	—	(181,323)	—	—	(181,323)	—	(181,323)
Total comprehensive income for the period	—	—	—	—	(181,323)	—	742,439	561,116	396,641	957,757
Return of capital to non-controlling shareholders	—	—	—	—	—	—	—	—	(1,075,347)	(1,075,347)
Transfer to statutory surplus reserve	—	—	4,789	—	—	—	(4,789)	—	—	—
Transfer of share option reserve upon the lapse of share options	—	—	—	—	—	(4,965)	4,965	—	—	—
At 31 December 2018 (unaudited)	699,065	6,362,535	25,444	(30,304)	(414,274)	176,291	7,048,012	13,866,769	4,938,131	18,804,900
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	—	—	—
At 31 December 2017 (unaudited)	699,065	6,362,535	—	(30,304)	(172,635)	181,510	6,119,500	13,159,671	5,805,293	18,964,964

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2018

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited)
Net cash flows from/(used in) operating activities	<b>(9,499,267)</b>	616,150
Net cash flows used in investing activities		
Purchase of items of property, plant and equipment	<b>(3,991)</b>	(6,356)
Increase in investment property	<b>(42,766)</b>	—
Addition to vines	<b>(3,259)</b>	(1,750)
Proceeds from disposal of items of property, plant and equipment	—	157
Interests received	<b>15</b>	56
	<b>(50,001)</b>	(7,893)
Net cash flows from financing activities		
Decrease in an amount due to the immediate holding company	<b>(45,324)</b>	(349,376)
Decrease in amounts due to related companies	<b>(24,193)</b>	(2,229)
Increase in amounts due to non-controlling shareholders	<b>1,897,759</b>	17,871
Proceeds from bank borrowings	<b>12,250,682</b>	103,226
Repayment of loan from a related company	<b>(37,877)</b>	(529,434)
Return of capital to non-controlling shareholders	<b>(1,075,347)</b>	—
Repayment of bank borrowings	<b>(3,148,799)</b>	(2,427)
Interest and other finance charges paid	<b>(484,209)</b>	(53,543)
	<b>9,332,692</b>	(815,912)
Net decrease in cash and cash equivalents	<b>(216,576)</b>	(207,655)
Cash and cash equivalents at beginning of the period	<b>277,529</b>	488,689
Effect of foreign exchange rate changes, net	<b>175</b>	1,233
Cash and cash equivalents at end of the period, represented by cash and bank balances	<b>61,128</b>	282,267



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2018

## 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 2018.

## 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 2018, 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 2018.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-Based Payment Transactions</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i>
HKFRS 9	<i>Financial Instruments</i>
HKFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i>
Amendments to HKAS 40	<i>Transfers of Investment Property</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
Annual Improvements 2014–2016 Cycle	<i>Amendments to HKFRS 1 and HKAS 28</i>

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

For the six months ended 31 December 2018

### 2. Significant Accounting Policies (Continued)

Except for HKFRS 9 *Financial Instruments* and HKFRS 15 *Revenue from Contracts with Customers*, which effect of the adoption are disclosed as below, the adoption of the above revised HKFRSs has had no significant financial effect on these unaudited condensed consolidated financial statements.

Several other amendments and interpretations are applied for the first time in 2018, they do not have significant impact on the unaudited interim condensed consolidated financial statements of the Group.

#### **HKFRS 15 Revenue from Contracts with Customers**

HKFRS 15 supersedes HKAS 11 *Construction Contracts*, HKAS 18 *Revenue* and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method which allows the Group to recognise the cumulative effects of initially applying HKFRS 15 as an adjustment to the opening balance of retained earnings in the 2018 financial year. The Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 July 2018, thus the comparative figures have not been restated.

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

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

For the six months ended 31 December 2018

### 2. Significant Accounting Policies (Continued)

#### **HKFRS 15 Revenue from Contracts with Customers (Continued)**

Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The adoption of HKFRS 15 does not have material financial impact on the Group's condensed financial statement.

#### **HKFRS 9 Financial Instruments**

HKFRS 9 *Financial Instruments* replaces HKAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Group has applied HKFRS 9 retrospectively in accordance with the transition requirements, with the initial application date of 1 July 2018. The Group has elected not to adjust the comparative information for the period beginning 1 July 2017, which the comparative information was prepared under classification and measurement requirements of HKAS 39.

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

For the six months ended 31 December 2018

### 2. Significant Accounting Policies (Continued)

#### HKFRS 9 *Financial Instruments* (Continued)

##### (a) Classification and measurement

Under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interest" on the principal amount outstanding (the "SPPI criterion").

The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and other receivables.

The assessment of the Group's business models was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in profit or loss.

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

For the six months ended 31 December 2018

### 2. Significant Accounting Policies (Continued)

#### HKFRS 9 *Financial Instruments* (Continued)

##### (a) Classification and measurement (Continued)

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by HKAS 39.

The adoption of HKFRS 9 has had no significant impact on the classification and measurement of the financial assets of the Group.

##### (b) Impairment

HKFRS 9 requires an impairment on trades receivables, prepayments, deposits and other receivables that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis.

The Group applied the simplified approach and recorded lifetime expected losses that were estimated based on the present value of all cash shortfalls over the remaining life of all of its deposits and other receivables and trades receivables, respectively. The Group performed a detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables. The adoption of HKFRS 9 has had no significant impact on the impairment of the financial assets of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

For the six months ended 31 December 2018

### 3. Operating Segment Information

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

- (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, operation of restaurants and publication of a wine magazine;
- (c) the factoring segment engages in the provision of factoring services; and
- (d) the financial investments segment engages in securities and derivatives investment and trading and investment in financial instruments.

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

For the six months ended 31 December 2018

### 3. Operating Segment Information (Continued)

The following tables present revenue and profit information for the Group's business segments for the six months ended 31 December 2018 and 31 December 2017, respectively.

#### For the six months ended 31 December 2018

	Property HK\$'000 (Unaudited)	Winery and wine related HK\$'000 (Unaudited)	Factoring HK\$'000 (Unaudited)	Financial Investments HK\$'000 (Unaudited)	Eliminations HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited)
<b>Segment revenue:</b>						
Sales to external customers	72,886	180,175	68,378	—	—	321,439
Intersegment sales	16,640	—	—	—	(16,640)	—
<b>Total</b>	<b>89,526</b>	<b>180,175</b>	<b>68,378</b>	<b>—</b>	<b>(16,640)</b>	<b>321,439</b>
<b>Segment results:</b>	<b>1,337,077</b>	<b>67,387</b>	<b>65,597</b>	<b>(1,283)</b>	<b>(16,640)</b>	<b>1,452,138</b>
<i>Reconciliations</i>						
Unallocated other income						15
Corporate administrative expenses						(39,762)
Finance costs						(248,477)
Profit before tax						<b>1,163,914</b>

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

	Property HK\$'000 (Unaudited)	Winery and wine related HK\$'000 (Unaudited) (Restated)	Factoring HK\$'000 (Unaudited)	Financial Investments HK\$'000 (Unaudited)	Eliminations HK\$'000 (Unaudited)	Consolidated HK\$'000 (Unaudited) (Restated)
<b>Segment revenue:</b>						
Sales to external customers	29,081	260,396	83,386	—	—	372,863
Intersegment sales	17,329	—	—	—	(17,329)	—
<b>Total</b>	<b>46,410</b>	<b>260,396</b>	<b>83,386</b>	<b>—</b>	<b>(17,329)</b>	<b>372,863</b>
<b>Segment results:</b>	<b>1,493,763</b>	<b>107,644</b>	<b>91,419</b>	<b>(604)</b>	<b>(17,329)</b>	<b>1,674,893</b>
<i>Reconciliations</i>						
Unallocated other income						56
Corporate administrative expenses						(29,744)
Finance costs						(56,392)
Profit before tax						<b>1,588,813</b>

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

For the six months ended 31 December 2018

### 4. Revenue, Other Income and Gain

An analysis of revenue, other income and gain is as follows:

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited) (Restated)
<b>Revenue</b>		
Handling fee income and interest income from factoring services	<b>68,378</b>	83,386
Sales of wine	<b>135,592</b>	221,617
Storage fee income	<b>11,793</b>	8,179
Restaurant operations	<b>32,790</b>	30,600
Rental income	<b>59,741</b>	24,046
Property management fee income	<b>13,145</b>	5,035
	<b>321,439</b>	372,863
<b>Other income</b>		
Bank interest income	<b>15</b>	56
Others	<b>2,289</b>	1,135
	<b>2,304</b>	1,191
<b>Other gain</b>		
Gain on disposal of items of property, plant and equipment	—	4
	<b>2,304</b>	1,195



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

For the six months ended 31 December 2018

### 5. Finance Costs

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited)
Interests on bank and other borrowings	<b>784,878</b>	280,787
Less: Interest capitalised	<b>(536,401)</b>	(224,395)
	<b>248,477</b>	56,392

### 6. Profit Before Tax

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

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited) (Restated)
Depreciation of property, plant and equipment	<b>33,471</b>	35,277
Less: Amount included in inventory overheads	<b>(2,164)</b>	(2,412)
	<b>31,307</b>	32,865
Amortisation of intangible assets	<b>459</b>	458
Amortisation of prepaid land lease payments	<b>638</b>	656
Foreign exchange differences, net	<b>2,757</b>	(37,236)

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

For the six months ended 31 December 2018

### 7. Income Tax Expense

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited)
Current — Hong Kong Charge for the period	<b>11,929</b>	13,000
Current — Elsewhere Charge for the period	<b>12,905</b>	13,354
Tax charge for the period	<b>24,834</b>	26,354

### 8. Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 31 December 2018 (six months ended 31 December 2017: Nil).

### 9. Earnings Per Share

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

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited)
<b>Earnings</b> Profit attributable to owners of the Company, used in the basic earnings per share calculation	<b>742,439</b>	995,966

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

For the six months ended 31 December 2018

### 9. Earnings Per Share (Continued)

	<b>Number of shares Six months ended 31 December</b>	
	<b>2018 '000</b>	2017 '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>	6,990,652
Effect of dilution — weighted average number of ordinary shares:		
Share options	<b>19,770</b>	45,579
Weighted average number of ordinary shares in issue during the period used in the diluted earnings per share calculation	<b>7,010,422</b>	7,036,231

### 10. Investment Property

	<b>HK\$'000</b>
Carrying amount at 30 June 2017 and 1 July 2017 (audited)	15,300,000
Non-cash lease incentive	32,530
Initial direct costs	12,072
Amortisation of lease incentive	(8,563)
Amortisation of initial direct costs	(509)
Change in fair value	1,864,470
Carrying amount at 30 June 2018 (audited)	17,200,000
Addition during the period	200
Non-cash lease incentive	11,081
Amortisation of lease incentive	(8,038)
Amortisation of initial direct costs	(2,093)
Change in fair value	1,298,850
Carrying amount at 31 December 2018 (unaudited)	18,500,000

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

For the six months ended 31 December 2018

### 10. Investment Property (Continued)

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 2018, the Group's investment property stated at fair value was revalued by B.I. Appraisals Limited (30 June 2018: B.I. Appraisals Limited), an independent firm of professionally qualified valuers, on an open market, existing use basis.

The valuation of completed investment property was based on the income method by capitalisation of net rental income derived from the existing tenancies with allowance for the reversionary rental income potential of the property.

### 11. Properties Under Development

	<b>31 December 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Carrying amount at 1 July	<b>13,876,461</b>	13,138,517
Additions	<b>10,212,808</b>	737,944
Carrying amount	<b>24,089,269</b>	13,876,461

As at 31 December 2018 and 30 June 2018, all of the properties under development are expected to be completed within normal operating cycle, recovered after more than twelve months from the end of the reporting period and included under current assets.

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

For the six months ended 31 December 2018

### 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 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Less than 121 days	<b>3,660,894</b>	2,286,503
121 to 150 days	<b>8,127</b>	1,015,838
151 to 180 days	<b>3,202</b>	502,865
181 to 365 days	<b>153,063</b>	180,539
Over 1 year	<b>10,063</b>	4,222
	<b>3,835,349</b>	3,989,967

### 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 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Less than 121 days	<b>470,590</b>	256,993
121 to 150 days	—	106,181
151 to 180 day	—	52,546
181 to 365 days	—	60
Over 1 year	<b>57</b>	369
	<b>470,647</b>	416,149

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

For the six months ended 31 December 2018

### 14. Interest-Bearing Bank and Other Borrowings

	<b>31 December 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Current portion		
— Secured	<b>17,025,748</b>	13,352,278
— Unsecured	<b>600,648</b>	871
	<b>17,626,396</b>	13,353,149
Non-current portion		
— Secured	<b>8,549,987</b>	3,546,327
— Unsecured	—	86
	<b>8,549,987</b>	3,546,413
Total interest-bearing bank and other borrowings	<b>26,176,383</b>	16,899,562

### 15. Commitments

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

	<b>31 December 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Contracted, but not provided for:		
Properties under development	<b>5,476,765</b>	2,684,297
	<b>5,476,765</b>	2,684,297

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

For the six months ended 31 December 2018

### 16. Operating Lease Commitments

#### (a) As lessor

The Group leases its investment property (note 10 to the financial statements) under operating lease arrangements, with leases negotiated for terms ranging from two to four years. The terms of the leases generally also grants a rent-free period ranged from two to six months to the lessees and require the tenants to pay security deposits.

At the end of the reporting period, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	<b>31 December 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Within one year	<b>181,100</b>	155,764
In the second to fifth years, inclusive	<b>313,995</b>	263,429
	<b>495,095</b>	419,193

#### (b) As lessee

The Group leases certain of its office properties and staff quarters under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to three years (30 June 2018: one to three years).

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>31 December 2018 HK\$'000 (Unaudited)</b>	30 June 2018 HK\$'000 (Audited)
Within one year	<b>5,193</b>	5,563
In the second to fifth years, inclusive	<b>1,106</b>	3,646
	<b>6,299</b>	9,209

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

For the six months ended 31 December 2018

### 17. Related Party Transactions

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

	<b>Six months ended 31 December</b>	
	<b>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited)
Transactions with related companies in which a substantial shareholder of the Company has beneficial interests:		
Sales of wines	—	138
Project management fees charged	—	683
Rental income	<b>6,294</b>	6,993
Property management fee income	<b>1,031</b>	1,146
Rental expenses	<b>34</b>	32
Sales of food and beverage	<b>1,849</b>	1,190
Interest expense	<b>230</b>	8,978

### (b) 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>2018 HK\$'000 (Unaudited)</b>	2017 HK\$'000 (Unaudited)
Short-term employee benefits	<b>3,912</b>	4,656
Equity-settled share option expenses	—	87
	<b>3,912</b>	4,743



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

For the six months ended 31 December 2018

### 18. Fair Value of Financial Instruments

The Group did not have any financial assets and liabilities measured at fair value as at 31 December 2018 and 30 June 2018.

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, loan from non-controlling shareholders and the current portion of interest-bearing bank and other 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:

The fair value of the non-current portion of interest-bearing bank and other borrowings 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 2018 was assessed to be insignificant. The fair value approximated its carrying value as at 31 December 2018.