



GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code :530)

2020/21

Second Interim Report



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, *JP (Chairman)*
Hon. Shek Lai Him Abraham (*GBS, JP*) (*Vice Chairman*) (*appointed as Vice Chairman and re-designated as Executive Director on 1 March 2021*)
Mr. Zhou Xiaojun
Mr. Huang Rui
Ms. Hui Wai Man, Shirley

Independent Non-Executive Directors

Hon. Shek Lai Him Abraham (*GBS, JP*) (*till 28 February 2021*)
Mr. Wong Wai Leung Joseph
Mr. Tang Yiu Wing
Ms. Gao Min

Board Committees

Audit Committee

Mr. Wong Wai Leung Joseph (*Chairman of Audit Committee*)
Mr. Tang Yiu Wing
Ms. Gao Min

Remuneration Committee

Mr. Tang Yiu Wing (*Chairman of Remuneration Committee*)
Mr. Wong Wai Leung Joseph
Ms. Gao Min
Ms. Hui Wai Man, Shirley

Nomination Committee

Mr. Tang Yiu Wing (*Chairman of Nomination Committee*)
(*appointed on 1 March 2021*)
Hon. Shek Lai Him Abraham (*GBS, JP*)
(*Ceased to be Chairman but remains as member of Nomination Committee with effect from 1 March 2021*)
Mr. Pan Sutong, *JP*
Mr. Wong Wai Leung Joseph
Ms. Gao Min
Ms. Hui Wai Man, Shirley (*resigned on 1 March 2021*)

Corporate Governance Committee

Mr. Pan Sutong, *JP* (*Chairman of Corporate Governance Committee*)
Mr. Zhou Xiaojun

Company Secretary

Mr. Ng Chun Wa (*appointed on 21 April 2021*)
Ms. Lun Hau Mun (*resigned on 21 April 2021*)

Registered Office

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Hong Kong Principal Place of Business

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

Principal Bankers

Industrial and Commercial Bank of China (Asia) Limited
Shanghai Commercial Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

Auditors

Ernst & Young

Share Registrar and Transfer Offices

Principal:

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Hong Kong Branch:

Tricor Secretaries Limited
Level 54, 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

or contact our Corporate Development Department at
Email: 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 second interim results of Goldin Financial Holdings Limited ("Goldin Financial" or the "Company", which together with its subsidiaries, is referred to as the "Group") for the twelve months ended 30 June 2021.

Management Discussion and Analysis

Results

During the twelve months ended 30 June 2021 ("the twelve months ended FY2021" or "the period under review"), the Group's overall business performance had been hit hard by the adverse impacts of the pandemic and the receiverships involving the investment properties of the Group namely Goldin Financial Global Centre (the "GFGC Receiverships"). As disclosed in note 1 to the condensed consolidated financial statements, the Group deconsolidated Smart Edge, Cheng Mei and Goal Eagle, the subsidiaries which are under the GFGC Receivership, as a result of loss of control over the operations of these subsidiaries. Accordingly, the Group only recognised the operating results of the property investment business (i.e. the leasing business) up to the effective date of the loss of control of these subsidiaries in the condensed consolidated financial statements for the twelve months ended FY2021, and thereafter, the fair values of the subsidiaries involving the property investment business were classified as financial assets measured at fair value through profit or loss and the net changes in fair value between each reporting period were recognized in the condensed consolidated statement of profit or loss.

The Group recorded revenue of approximately HK\$370.1 million for the period under review, which represented a decrease of 37.2% over the revenue of approximately HK\$589.1 million for the twelve months ended 30 June 2020 ("the twelve months ended FY2020"). The fall in revenues was mainly due to the significant drop in revenues generated from the wine and related businesses in the period under review. In addition, the Group also recorded a drop in rental and property management fee income in the period under review due to the deconsolidation of Smart Edge (which owns the Group's investment properties) with effect from 13 July 2020, thus the related rental and management fees income were recognised only up to 13 July 2020 for the twelve months ended FY2021. Gross profit for the period under review decreased to approximately HK\$337.3 million, which was 22.9% decrease over the twelve months ended FY2020. The loss attributable to owners of the Company for the twelve months ended FY2021 decrease to approximately HK\$1,398.2 million as compared to a loss of approximately HK\$7,461.1 million over the twelve months ended FY2020.

Management Discussion and Analysis (Continued)

Results (Continued)

The substantial decrease in the loss for the period under review was mainly attributable to (i) the absence of write-down of its properties under development of Kai Tak residential project; (ii) the absence of the change in fair value of the investment properties due to the Group has lost control over the operations of Deconsolidated Subsidiaries; and (iii) the absence of impairment loss on certain property, plant and equipment, during the period under review and offset impact of (iv) an one-off termination fee of approximately HK\$451.7 million incurred upon the termination of a set of agreements for the disposal of the Kai Tak residential project in July 2020; and (v) the decrease in revenues and accordingly gross profit contribution generated by the wine and related businesses for the period under review.

Business Review

Real Estate Business

The Challenging Business environment in Hong Kong has been continued due to uncertainties caused by China – United States trade tensions and spreading of the COVID-19.

The Group has implemented prudent management strategies, various transactions undertook in the period under review has reduced risk exposures and enhance the financial flexibility.

In July 2020, the Group disposed of the residential development project at Kai Tak Area 4B Site 4 (the "Kai Tak Project") at the consideration of approximately HK\$3,477 million, along with a profit-sharing agreement with the purchaser of the Kai Tak Project, pursuant to which the Group may share the profit from the future sales of the residential units and car parks of the Kai Tak Project subject to the terms and conditions in the profit-sharing agreement. Details of these transactions are set out in the circular of the Company dated 29 January 2021. The Group recorded a gain of approximately HK\$31.2 million for the disposal in the current period under review. The disposal of the Kai Tak Project had relieved the Group from future business and financial risks associated with the Kai Tak Project.

CHAIRMAN'S STATEMENT (CONTINUED)

Management Discussion and Analysis (Continued)

Business Review (Continued)

Real Estate Business (Continued)

In order to settle the Senior Notes and Loan associated with the Group's investment properties, Goldin Financial Global Centre, on 29 September 2020, the Group entered into a provisional sale and purchase agreement (the "Provisional SPA") with an independent third party (the "Purchaser") to conditionally sell and assign the entire issued share capital of Cheng Mei and Goal Eagle and the debts owing by them to the Group at an aggregate consideration of HK\$14.3 billion. On 23 December 2020, it was confirmed to the Group by the Receivers that the Receivers and the Purchaser had entered into a sale and purchase agreement (the "SE Disposal Agreement") in respect of all the ordinary shares of Smart Edge (the "Charged Shares"). The Receivers have informed the Company that (i) the funds to be received by the Receivers pursuant to the SE Disposal Agreement will be sufficient to settle all outstanding indebtedness in relation to the Senior Notes and the Mezzanine Loan in full; and (ii) the Purchaser has paid very substantial non-refundable deposits pursuant to the terms of the SE Disposal Agreement. The Purchaser informed the Group of the termination of the Provisional SPA on 28 December 2020. Further to the SE Disposal Agreement, the Receivers informed the Company on 18 May 2021 that an agreement in respect of the Charged Shares was entered into between the Receivers and the Purchaser on 12 May 2021 (the "May 2021 Agreement"). The Receivers also informed that (i) the Purchaser has paid a substantial non-refundable deposit in respect of the May 2021 Agreement; (ii) the completion date of the May 2021 Agreement is 31 August 2021; and (iii) completion of the May 2021 Agreement will enable full repayment of the amount owed by Goal Eagle and Cheng Mei to the lenders of the Loan. Details of the Senior Notes and Loan and GFGC Receiverships are disclosed in the annual report of the Company for the year ended 30 June 2020 (the "FY2020 Annual Report").

Management Discussion and Analysis (Continued)

Business Review (Continued)

Real Estate Business (Continued)

In September 2019, the Group had entered into a conditional sale and purchase agreement for the proposed acquisition of the Solar Time Developments Limited (the "Solar Time Acquisition") which holds the land site known as New Kowloon Inland Lot No. 5948, 7 Wang Tai Road, Kowloon. The Solar Time Acquisition was approved by the independent shareholders of the Company in December 2019, however, the completion of the acquisition had been extended in view of the worsen economic conditions and the substantial amounts of cash required for settlement of the consideration. The Group expected to complete the acquisition before 31 December 2021. Increase in payments in respect of the Solar Time Acquisition was included in the prepayments in the condensed consolidated statement of financial position.

During the twelve months ended FY2021, the Group recognized rental income and property management and related income of approximately HK\$7.1 million, prior to the deconsolidation of Smart Edge on 13 July 2020 (the twelve months ended FY2020: HK\$198.0 million). The property segment recorded profit of approximately HK\$31.8 million for the twelve months ended FY2021, as compared to a loss of HK\$6,165.4 million for the twelve months ended FY2020. The loss for the twelve months ended FY2020 was mainly due to the Group recognized a fair value decrease in investment properties of approximately HK\$3,495.9 million and a write-down of properties under development of approximately HK\$2,786.4 for the twelve months ended FY2020. No such fair value decrease in investment properties and write down of properties under development were recognized for the twelve months ended FY2021 owing to the deconsolidation of subsidiaries involving the property investment business in July and October 2020 and the properties under development in related to Kai Tak Project was disposed in July 2020. Apart from that, the Group recognized a change in fair value of financial assets of HK\$426.8 million for the twelve months ended FY2021, which was not presented under the property segment results.

Wine & Related Business

The global wine consumption had been severely affected by the COVID-19 pandemic continuously over the period.

CHAIRMAN'S STATEMENT (CONTINUED)

Management Discussion and Analysis (Continued)

Business Review (Continued)

Wine & Related Business (Continued)

During the twelve months ended FY2021, the wine and related businesses of the Group recorded revenues of approximately HK\$89.6 million (the twelve months ended FY2020: HK\$157.0 million), which represented a decrease of 42.9% against the twelve months ended FY2020. The segment loss decreased by 63.6% to HK\$103.1 million for the period as compared with the figure of HK\$283.1 million for the twelve months ended FY2020. The decreased in loss for the period was mainly due to the Group recognized an impairment loss on certain property, plant and equipment in respect of the Group's wine cellar and the restaurant operation in an aggregate amount of approximately HK\$167.0 million for the twelve months ended FY2020 as a result of the review of their business performance and no such impairment loss was recorded for the twelve months ended FY2021.

The Group has operated four restaurants (Le Pan, Dynasty Garden, Matsunichi and Congeodle) and one café (Sip Café) at Goldin Financial Global Centre during the period. The management has adopted proactive marketing strategies to increase its business channels, such as cooperation with takeaway platform and strengthen control on operating cost. Under harsh business operating environment in pandemic period, revenue from dining business included in Wine and Related business segment has dropped of approximately 11.9% as compared with the figure for the twelve months ended FY2020.

Factoring

The escalating China-US trade tensions as well as the exchange rate fluctuations have significantly increased the credit risk for small and medium-sized enterprises in the PRC. As the Group's factoring customers mainly comprise PRC enterprises which primarily export their goods to the United States of America, this has exposed the Group to increasing business risks for the factoring business. Although the factoring business has contributed steady revenue to the Group and the customers do not have history of default, the Group entered into a binding term sheet (as supplemented) for the proposed disposal of its factoring business in PRC (the "Factoring Disposal") in order to reduce business risk exposure as well as enhance its financial flexibility. The Factoring Disposal is expected to be completed in by end of this financial period.

Management Discussion and Analysis (Continued)

Business Review (Continued)

Factoring (Continued)

For the twelve months ended FY2021, the revenue of our factoring business increased by 21.2% to approximately HK\$246.4 million (the twelve months ended FY2020: HK\$203.3 million). The increase was mainly due to the increased fee and interest charged to the factoring clients started from second half year for the twelve months ended FY2020. Profit from this business segment increased by 35.9% to approximately HK\$214.1 million, as compared with a profit of HK\$157.6 million for the twelve months ended FY2020 which was mainly due to the increase in factoring revenues. In addition, the Group also incurred finance costs of HK\$159.9 million (the twelve months ended FY2020: HK\$177.0 million) from funding the capital of the factoring business.

Financial Review

Liquidity, Financial Resources and Gearing

As at 30 June 2021, the Group was in a net current assets of approximately HK\$5,647.5 million as compared to the net current liabilities of approximately HK\$5,751.6 million as at 30 June 2020. This was mainly because the Group deconsolidated certain subsidiaries under receiverships, namely Smart Edge, Cheng Mei and Goal Eagle. As a result, the related assets and liabilities together with the Senior Notes and the Loans were recognized as financial assets at fair value through profit or loss in the condensed consolidated statement of financial position as at 30 June 2021. Cash and cash equivalents and pledged bank deposits totalled approximately HK\$16.8 million, decreased by 55.0% as compared to HK\$37.3 million on 30 June 2020.

As at 30 June 2021, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$2,003 million (30 June 2020: HK\$15,849.0 million). The decrease was mainly due to i) the derecognition of a bridging loan in relation to the Kai Tak residential development project upon its disposal in July 2020; ii) reclassification of the Senior notes and Loan amounted to approximately HK\$6,800 million and HK\$3,378 million, respectively as financial assets at fair value through profit or loss as at 30 June 2021 due to the deconsolidation of Smart Edge, Cheng Mei and Goal Eagle; and iii) repayment of bank and other borrowings amounted to approximately HK\$123.5 million.

The Group maintained a borrowing facility of US\$500 million (equivalent to HK\$3,882.5 million) (30 June 2020: US\$500 million (equivalent to HK\$3,875.1 million)) from a related company in which Mr. Pan Sutong, the controlling shareholder of the Company, has a beneficial interest. None of the amount of the facilities had been utilized as at 30 June 2020 and 30 June 2021.

CHAIRMAN'S STATEMENT (CONTINUED)

Management Discussion and Analysis (Continued)

Financial Review (Continued)

Liquidity, Financial Resources and Gearing (Continued)

As at 30 June 2021, the debt-to-total assets ratio, which is calculated as total bank and other borrowings ("Total Debts") divided by total assets of the Group, decreased to 11.2% (30 June 2020: 54.3%). The ratio of net debts (Total Debts net of cash and cash equivalents and pledged bank deposits) divided by total assets was approximately 11.1% (30 June 2020: 54.2%).

Foreign Exchange

As the Group's key operations is based in Hong Kong, China, the US 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 foreign 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 arises.

Contingent Liabilities and Pledge of Assets

As at 30 June 2021, there was no significant changes in the contingent liabilities and pledge of assets of the Group as compared with those disclosed in the annual report of the Group for the year ended 30 June 2020.

Litigations

The legal proceedings involving Group are set out in the FY2020 Annual Report. There was no significant progress in relation to the litigations disclosed in the FY2020 Annual Report except that the hearing of the winding-up Petition and the application presented by the security agent of the Mezzanine Loan to the Supreme Court of Bermuda for the winding-up and the appointment of joint provisional liquidators of the Company, respectively scheduled on 6 August 2021 (Bermuda time) was further adjourned to 3 September 2021 (Bermuda time) upon the joint application of the Petitioner and the Company.

Save as disclosed above and those in the FY2020 Annual Report, the Group did not have any material litigations and legal proceedings as at 30 June 2021 and up to the date of this report.

Management Discussion and Analysis (Continued)

Prospect

Last year, the global economy was battered by a host of factors such as U.S.– China tensions, geopolitics and the COVID-19 pandemic. With the rollout of mass vaccinations, together with stringent social distancing measures and travel restrictions which are adopted by governments of various localities, the number of confirmed cases have gradually declined around the world. Central banks around the world have introduced ongoing measures to stimulate the economy, therefore, public confidence in economic recovery is boosted.

However, the uncertainties and negative factors are expected to linger, as market sentiments remain dominated by the ebb and flow of U.S.– China relations and the evolving pandemic. In planning ahead of the upcoming financial year and beyond, the Group anticipates being confronted with and overcoming more challenges.

Post-COVID wine market in China will be different because the crisis has brought some powerful and dynamic trends that will durably impact the industry.

Amid the headwinds in the real estate market, the Group will continue to adopt a prudent and cautious approach. Transactions for disposal of certain assets and businesses helps the Group to reduce risk exposure and enhance its financial flexibility. The Group will continue to focus its effort to improve its risk management capabilities by carefully assessing market conditions and new investment direction. At the same time, the Group will continuously concentrate on its core competencies and corporate efficiency enhancement, in order to get prepared to capture potential opportunities once the legal proceedings involving Group are resolved.

CHAIRMAN'S STATEMENT (CONTINUED)

Appreciation

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

Pan Sutong, JP
Chairman

Hong Kong, 30 August 2021

Interim Dividend

The Board does not recommend the payment of an interim dividend for the twelve months ended 30 June 2021 (twelve months ended 30 June 2020: Nil).

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

As at 30 June 2021, 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	239,063,000	4,714,821,634	–	4,953,884,634	70.86%
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 30 June 2021.

OTHER INFORMATION (CONTINUED)

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

Long positions in the Shares and underlying Shares of the Company (Continued)

Notes:

1. The 4,714,821,634 Shares held by Mr. Pan through controlled corporations included:
 - (a) 4,483,291,636 Shares were held by Goldin Global Holdings Limited and 187,213,998 Shares were held by Goldin Equities Limited respectively.

Goldin Global Holdings Limited is ultimately owned by Mr. Pan.

Goldin Equities Limited is wholly owned by Goldin Investment Advisers Limited, which is, in turn, a wholly-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 Limited ("Goldin Real Estate Finance 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 Director, details of which are disclosed in the section headed "Share Option Scheme" below.

Save as disclosed above, so far as was known to the Directors, as at 30 June 2021, 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.

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

As at 30 June 2021, 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	4,483,291,636	4,483,291,636	64.13%
Mr. Pan Sutong	2	Interests held as beneficial owner and through controlled corporations	4,953,884,634	4,953,884,634	70.86%

* The percentage has been calculated based on 6,990,651,992 Shares in issue as at 30 June 2021.

Notes:

1. Goldin Global Holdings Limited is ultimately owned by Mr. Pan.
2. These Shares include 4,714,821,634 Shares held by Mr. Pan through controlled corporations as follows:
 - (i) A total of 4,670,505,634 Shares, of which 4,483,291,636 Shares were held by Goldin Global Holdings Limited (as disclosed in Note 1 above) and 187,213,998 Shares were held by Goldin Equities Limited respectively.
 - (ii) 44,316,000 Shares held by Clear Jade International Limited which is wholly owned by Mr. Pan.

Save as disclosed above, as at 30 June 2021, 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.

OTHER INFORMATION (CONTINUED)

Share Option Scheme

The Company operates the share option scheme 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 was adopted on 21 November 2013 (the "2013 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 2013 Scheme during the twelve months ended 30 June 2021 are set out below:

2013 Scheme

Name or category of participants	Date of grant	Exercise price per Share (HK\$)	Number of share options				As at 30 June 2021	Exercisable period
			As at 1 July 2020	Granted during the period	Lapsed during the period	Exercised during the period		
Director								
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
			2,000,000	-	-	-	2,000,000	
Associate of a Director and substantial shareholder of the Company								
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	
Employees and others in aggregate (including directors of certain subsidiaries)								
	18/07/2014	3.098	31,230,000	-	(1,800,000)	-	29,430,000	18/07/2015 - 17/07/2024
	18/07/2014	3.098	32,130,000	-	(1,800,000)	-	30,330,000	18/07/2016 - 17/07/2024
	18/07/2014	3.098	42,840,000	-	(2,400,000)	-	40,440,000	18/07/2017 - 17/07/2024
			106,200,000	-	(6,000,000)	-	100,200,000	
TOTAL			109,700,000	-	(6,000,000)	-	103,700,000	

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 30 June 2021, the Group has obtained the following banking facilities with specific performance obligations on the controlling shareholder:

- (1) Goldin Factoring Limited and Goldin Logistics (Hong Kong) Limited, both indirect wholly-owned subsidiaries of the Company, jointly entered into a loan agreement (as amended and supplemented) of up to HK\$2 billion 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 twelve months ended 30 June 2021, 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 non-executive and 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 twelve months ended 30 June 2021.

OTHER INFORMATION (CONTINUED)

Issue of Equity Securities

The Company entered into the placing agreement dated 9 October 2020 (as amended) (the "Placing Agreement") with Titan Financial Services Limited in relation to the placing (the "Placing") of up to 1,398,130,398 new Shares, on a best effort basis, to not less than six places (who would be any independent individual, corporate, institutional investors or other investors) at the issue price of HK\$1.00 per new Share (the "Placing Price"). The Placing was intended to strengthen the financial position and to broaden the shareholder base of the Company. On 13 November 2020, the parties entered into a termination agreement to terminate the Placing.

The Placing Price represented (i) a discount of approximately 0.99% to the closing price of the Shares as quoted on the Stock Exchange on 28 September 2020, being the last trading day of the Shares immediately before the date of the Placing Agreement; (ii) a discount of approximately 3.47% to the average closing price per Share of HK\$1.036 as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Placing Agreement. Assuming all such 1,398,130,398 new Shares were fully placed under the Placing, the aggregate gross proceeds from the Placing shall be HK\$1,398,130,398. The net proceeds from the Placing (after deduction of placing commission and other costs and expenses) are estimated to be approximately HK\$1,384 million, representing a net issue price of approximately HK\$0.99 per new Share as placed under the Placing. The net proceeds from the Placing was proposed to be used for the repayment of indebtedness and the general working capital of the Group.

Save as disclosed, the Company had not conducted any other issue of equity securities of the Company for cash during the period under review.

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

During the twelve months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

Human Resources

As at 30 June 2021, the Group had about 262 employees (twelve months ended 30 June 2020: 315). Total staff costs for the twelve months ended 30 June 2021 were approximately HK\$151.4 million (twelve months ended 30 June 2020: HK\$155.8 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 Mr. Wong Wai Leung Joseph 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 twelve months ended 30 June 2021.

Change in Information of the Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors since the FY2020 Annual Report are set out below:

- (1) Hon. Shek Lai Him Abraham was appointed as the Vice Chairman of the Company with effect from 1 March 2021.

He was re-designated from independent non-executive Director to executive Director with effect from 1 March 2021. Hence, he ceased to act as the chairman of the nomination committee ("Nomination Committee") of the Company but remains a member of the Nomination Committee with effect from 1 March 2021.

His term as Non-Executive Director of Mandatory Provident Fund Schemes Authority has ended on 16 March 2021.

He was retired from the role as Independent Non-Executive Director of SJM Holdings Limited, which is a listed company on the Main Board of the Hong Kong Stock Exchange, of its 2021 Annual General Meeting on 28 May 2021. He was appointed as Advisor to SJM Holdings Limited with effect from 28 May 2021.

OTHER INFORMATION (CONTINUED)

Change in Information of the Directors (Continued)

(1) (Continued)

He was appointed as Independent Non-Executive Director of International Alliance Financial leasing Co., Ltd, which is a listed company on the Main Board of the Hong Kong Stock Exchange, with effect from 28 July 2021.

(2) Mr. Tang Yiu Wing was appointed as the chairman of the Nomination Committee with effect from 1 March 2021.

(3) Ms. Hui Wai Man, Shirley resigned as a member of the Nomination Committee with effect from 1 March 2021.

(4) Mr. Wong Wai Leung Joseph was appointed as an Independent Non-Executive Director of Fulum Group Holdings Limited, which is a listed company on the Main Board of the Hong Kong Stock Exchange, with effect from 7 May 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 30 June 2021

	Notes	Twelve months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Revenue	4	370,085	589,087
Cost of sales		(32,742)	(151,385)
Gross profit		337,343	437,702
Other income, gains and losses, net	4	(329,425)	6,459
Gain on disposal of a subsidiary	14	31,224	–
Change in fair value of investment properties		–	(3,495,923)
Change in fair value of financial assets measured at fair value through profit or loss		(426,814)	–
Impairment losses of items of property, plant and equipment		–	(166,969)
Write-down of properties under development		–	(2,786,409)
Selling and distribution expenses		(4,004)	(9,877)
Administrative expenses		(406,211)	(385,924)
Finance costs	5	(548,174)	(1,027,452)
Loss before tax	6	(1,346,061)	(7,428,393)
Income tax expense	7	(52,119)	(35,574)
Loss for the period		(1,398,180)	(7,463,967)
Other comprehensive loss			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		121,123	(137,508)
Total comprehensive loss for the period		(1,277,057)	(7,601,475)
Loss for the period attributable to:			
Owners of the Company		(1,398,180)	(7,461,084)
Non-controlling interests		–	(2,883)
		(1,398,180)	(7,463,967)

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

For the twelve months ended 30 June 2021

		Twelve months ended 30 June	
	Note	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Total comprehensive loss attributable to:			
Owners of the Company		(1,277,057)	(7,598,592)
Non-controlling interests		–	(2,883)
		(1,277,057)	(7,601,475)
Loss per share attributable to owners of the Company			
Basic – For loss for the period	9	HK(20) cents	HK(106.73) cents
Diluted – For loss for the period		HK(20) cents	HK(106.73) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

	Notes	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,650,880	1,674,871
Investment properties	10	–	15,000,000
Intangible assets		104,272	104,104
Vines		15,812	14,171
Prepayment		2,957,237	639,793
Deferred tax assets		18,159	18,854
Total non-current assets		4,746,360	17,451,793
CURRENT ASSETS			
Inventories		719,468	768,421
Prepayments, other receivables and other assets		14,167	17,533
Trade receivables	11	4,007,053	3,886,855
Due from related companies	12	26,417	8,875
Financial assets measured at fair value through profit or loss	13	6,230,102	–
Loan to deconsolidated subsidiaries		1,334,716	–
Due from deconsolidated subsidiaries		791,725	–
Pledged deposits		–	14,159
Cash and cash equivalents		16,760	23,170
Total current assets		13,140,408	4,719,013
Assets of a disposal group classified as held for sale	14	–	7,000,025
Total current assets		13,140,408	11,719,038

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 June 2021

	Notes	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
CURRENT LIABILITIES			
Trade payables	15	193,059	405,472
Accruals and other payables		558,413	1,018,755
Due to related companies		18,049	9,825
Due to a director		3,550	18,174
Loan from a deconsolidated subsidiary		4,553,915	–
Tax payable		167,836	126,321
Interest-bearing bank and other borrowings	16	1,998,132	12,284,883
		7,492,954	13,863,430
Liabilities directly associated with the assets classified as held for sale	14	–	3,607,196
Total current liabilities		7,492,954	17,470,626
NET CURRENT ASSETS/(LIABILITIES)		5,647,454	(5,751,588)
TOTAL ASSETS LESS CURRENT LIABILITIES		10,393,814	11,700,205
NON-CURRENT LIABILITIES			
Other payables		2,423	41,099
Interest-bearing bank and other borrowings	16	4,870	897
Deferred tax liabilities		21,359	20,173
Total non-current liabilities		28,652	62,169
Net assets		10,365,162	11,638,036
EQUITY			
Equity attributable to owners of the Company			
Share capital		699,065	699,065
Reserves		9,666,097	10,938,971
Total equity		10,365,162	11,638,036

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 30 June 2021

	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital	Share premium account	Statutory surplus reserve	Other reserve	Exchange translation reserve	Share option reserve	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2020 (audited)	699,065	6,362,535	45,642	(134,182)	(553,111)	154,868	5,063,219	11,638,036	-	11,638,036
Loss for the period	-	-	-	-	-	-	(1,398,180)	(1,398,180)	-	(1,398,180)
Other comprehensive loss for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	121,123	-	-	121,123	-	121,123
Total comprehensive loss for the period	-	-	-	-	121,123	-	(1,398,180)	(1,277,057)	-	(1,277,057)
Disposal of a subsidiary	-	-	-	135,121	-	-	(135,121)	-	-	-
Deconsolidation of subsidiaries	-	-	-	-	-	-	4,183	4,183	-	4,183
Transfer of share option reserve upon lapse of share options	-	-	-	-	-	(8,174)	8,174	-	-	-
Transfer to statutory surplus reserve	-	-	19,347	-	-	-	(19,347)	-	-	-
At 30 June 2021 (unaudited)	699,065	6,362,535	64,989	939	(431,988)	146,694	3,522,928	10,365,162	-	10,365,162
At 1 July 2019 (audited)	699,065	6,362,535	30,316	940	(415,603)	164,962	12,529,535	19,371,750	(7,128)	19,364,622
Loss for the period	-	-	-	-	-	-	(7,461,084)	(7,461,084)	(2,883)	(7,463,967)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	-	-	-	-	(137,508)	-	-	(138,508)	-	(137,508)
Total comprehensive income for the period	-	-	-	-	(137,508)	-	(7,461,084)	(7,598,592)	(2,883)	(7,601,475)
Acquisition of non-controlling interests	-	-	-	(135,122)	-	-	-	(135,122)	10,011	(125,111)
Transfer of share option reserve upon lapse of share options	-	-	-	-	-	(10,094)	10,094	-	-	-
Transfer to statutory surplus reserve	-	-	15,326	-	-	-	(15,326)	-	-	-
At 30 June 2020 (audited)	699,065	6,362,535	45,642	(134,182)	(553,111)	154,868	5,063,219	11,638,036	-	11,638,036

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 30 June 2021

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Net cash flows used in operating activities	(808,902)	(527,767)
Net cash flows from/(used in) investing activities		
Purchase of items of property, plant and equipment	(2,793)	(8,228)
Increase in investment property	–	(12,431)
Proceeds from disposal of a subsidiary	3,420,142	–
Increase in prepayments	(2,317,444)	(639,793)
Cash outflow from deconsolidated subsidiaries	(15,733)	–
Addition to vines	(5,207)	(5,800)
Interests received	12	2,584
Decrease in pledged deposits	14,159	332,408
	1,093,136	(331,260)
Net cash flows used in financing activities		
New bank and other borrowings	3,142	129,931
Increase in amount due to related companies	–	2,028
Decrease in a loan from a non-controlling shareholder	–	(2,100,000)
Interest and other finance charges paid	(178,730)	(1,079,245)
Repayment of bank and other borrowings	(123,500)	–
Principal portion of lease payments	(4,287)	(2,490)
	(303,375)	(3,049,776)
Net decrease in cash and cash equivalents	(19,141)	(3,908,803)
Cash and cash equivalents at beginning of the period	23,170	3,884,371
Effect of foreign exchange rate changes, net	12,731	47,602
Cash and cash equivalents at end of the period, represented by cash and bank balances	16,760	23,170

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 30 June 2021

1. BASIS OF PREPARATION

On 13 May 2021, the Company announced to change the financial year end date of the Company from 30 June to 31 December. Accordingly, the current interim financial period covers twelve months period from 1 July 2020 to 30 June 2021 with the comparative audited financial period from 1 July 2019 to 30 June 2020.

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 2020.

Deconsolidation of Subsidiaries

On 13 July 2020, in connection with an aggregate amount of HK\$6,800 million two-year senior notes (the “Senior Notes”), Smart Edge Limited (“Smart Edge”) received notifications concerning the appointment of Cosimo Borrelli (“Mr. Borrelli”) and Ma Siu Ming Simon (“Mr. Simon Ma”, together with Mr. Borrelli, the “Receivers”) as joint and several receivers and managers over the security assets provided under the Senior Notes, including the Group’s investment properties with an aggregate value of HK\$15 billion as at 30 June 2020, and the appointment of Mr. Borrelli, Mr. Simon Ma and Chi Lai Man Jocelyn (“Ms. Jocelyn Chi”) as new directors of Smart Edge in place of the former directors of Smart Edge (the “SE Former Directors”). Further details are set out in the Company’s announcement dated 15 July 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

1. BASIS OF PREPARATION (Continued)

Deconsolidation of Subsidiaries (Continued)

On 7 October 2020, in connection with the loan facilities with principal amounts of approximately HK\$3,378 million (the “Mezzanine Loan”), the Company received notification from its Bermuda agent of a petition dated 7 August 2020 (the “Winding-up Petition”) and an application (the “JPL Application”) presented by the security agent of the Mezzanine Loan to the Supreme Court of Bermuda for the winding-up and the appointment of joint provisional liquidators of the Company, respectively. The hearing of the Winding-up Petition and the JPL Application scheduled on 6 August 2021 was further adjourned to 3 September 2021 upon the joint application of the Petitioner and the Company. In addition, on 8 October 2020, Cheng Mei Holdings Limited (“Cheng Mei”) and Goal Eagle Limited (“Goal Eagle”) also received notifications from the security agent of the Mezzanine Loan that joint receivers have been appointed to Cheng Mei and Goal Eagle over the security assets provided under the Mezzanine Loan. Further details are set out in the Company’s announcements dated 11 October 2020, 16 October 2020, 1 November 2020, 25 November 2020, 8 December 2020, 10 January 2021, 15 February 2021, 21 March 2021, 20 April 2021, 2 May 2021, 9 May 2021, 27 May 2021 and 14 June 2021.

Given the above circumstances, the Group has lost control over the operations of Smart Edge, Cheng Mei and Goal Eagle (collectively the “Deconsolidated Subsidiaries”) and the directors of the Group have determined to exclude the financial position, results and cash flows of the Deconsolidated Subsidiaries from the Group’s condensed consolidated financial statements as at and for the twelve months period ended 30 June 2021. Hence Smart Edge has been deconsolidated with effect from 13 July 2020, while Cheng Mei and Goal Eagle have been deconsolidated with effect from 7 October 2020, in the condensed consolidated financial statements. The net assets of the Deconsolidated Subsidiaries were recognised as financial assets at fair value through profit or loss in the condensed consolidated statement of financial position at fair value with net changes in fair value recognised in the condensed consolidated statement of profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

1. BASIS OF PREPARATION (Continued)

Going concern basis

For the twelve months ended 30 June 2021, the Group reported a net loss of approximately HK\$1,398.2 million. As at 30 June 2021, the Group had commitment for Solar Time Acquisition and had total bank and other borrowings and accrued loan interest and charges payables of approximately HK\$1,998.1 million and HK\$19.5 million, respectively, which were repayable within 12 months from 30 June 2021. As at 30 June 2021, the Senior Notes and the Mezzanine Loan, which were overdue and repayable on demand, as the Group had breached certain financial covenants in respect of these loan facilities.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern. The Group has implemented, or is in the process of implementing, the following plans, and measures to mitigate the liquidity pressure and to improve its financial position:

- (i) On 23 December 2020, it was confirmed to the Group by the Receivers that the Receivers and an independent third party ("the Purchaser") have entered into a sale and purchase agreement (the "SE Disposal Agreement") in respect of 100% equity interest of Smart Edge (the "SE Disposal"). The Receivers have informed the Company that (i) the funds to be received by the Receivers pursuant to the SE Disposal Agreement will be sufficient to settle all outstanding indebtedness in relation to the Senior Notes and the Mezzanine Loan in full; and (ii) the Purchaser has paid very substantial non-refundable deposits pursuant to the terms of the SE Disposal Agreement. Further to the SE Disposal Agreement, the Receivers informed the Company on 18 May 2021 that an agreement in respect of all the Ordinary Shares of Smart Edge (the "Charged Shares") was entered into between the Receivers and the Purchaser on 12 May 2021 (the "May 2021 Agreement"). The Receivers also informed that (i) the Purchaser has paid a substantial non-refundable deposit in respect of the May 2021 Agreement; (ii) the completion date of the May 2021 Agreement is 31 August 2021; and (iii) completion of the May 2021 Agreement will enable full repayment of the amount owed by Goal Eagle and Cheng Mei to the lenders of the Loan. The Board is confident that once the May 2021 Agreement has been duly completed, all legal proceedings relating to the Senior Notes and the Mezzanine Loan, as well as the Winding-Up Petition will be resolved amicably.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

1. BASIS OF PREPARATION (Continued)

Going concern basis (Continued)

- (ii) On 2 September 2020, the Group entered into a term sheet with an independent third party for the disposal of Goldin Factoring Limited and its subsidiary at a cash consideration of approximately HK\$2,050 million, subject to adjustment on the final consideration on completion. The Group actively cooperates with the buyer for the due diligence exercise and expects to complete such disposal in December 2021. The proceeds arising from the disposal will be used for meeting Group's general working capital requirements. Further details are set out in the Company's circular and supplemental announcements dated 4 February 2021, 1 April 2021 and 13 July 2021, respectively.

- (iii) the Group maintains a borrowing facility of US\$500 million (equivalent to HK\$3,882.5 million) from a related company in which Mr. Pan Sutong ("Mr. Pan"), the controlling shareholder of the Company, has a beneficial interest. None of the amount of the facility had been utilised as at 30 June 2021.

The directors, after taking into account the above-mentioned plans and measures, are of the opinion that, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2021. Accordingly, the directors believe that it is appropriate to prepare the unaudited interim condensed consolidated financial statements on a going concern basis.

Should the going concern assumption be inappropriate, adjustments may have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

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 2020, 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 2020.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions</i>
Amendments to HKAS 1 And HKAS 8	<i>Definition of Material</i>

The adoption of these new and amendments to HKFRSs had no material effect on the results and financial position of the Group and/or disclosures set out in these unaudited condensed consolidated financial statements for the current and/or prior accounting periods.

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 and restaurants;
- (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 twelve months ended 30 June 2021

3. OPERATING SEGMENT INFORMATION (Continued)

The following tables present revenue and profit information for the Group's business segments for the twelve months ended 30 June 2021 and 30 June 2020, respectively.

For the twelve months ended 30 June 2021

	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)
Segment revenue:						
Sales to external customers	34,035	89,602	246,448	–	–	370,085
Intersegment sales	1,323	–	–	–	(1,323)	–
Total	35,358	89,602	246,448	–	(1,323)	370,085
Segment results:	31,838	(103,051)	214,125	(2,519)	(1,323)	139,070
<i>Reconciliations</i>						
Unallocated other income, gains and losses, net						(343,884)
Corporate administrative expenses						(197,483)
Gain on disposal of a subsidiary						31,224
Change in fair value of financial assets measured at fair value through profit or loss						(426,814)
Finance costs						(548,174)
Loss before tax						(1,346,061)

For the twelve months ended 30 June 2020

	Property HK\$'000 (Audited)	Winery and wine related HK\$'000 (Audited)	Factoring HK\$'000 (Audited)	Financial Investments HK\$'000 (Audited)	Eliminations HK\$'000 (Audited)	Consolidated HK\$'000 (Audited)
Segment revenue:						
Sales to external customers	228,762	157,002	203,323	–	–	589,087
Intersegment sales	36,519	–	–	–	(36,519)	–
Total	265,281	157,002	203,323	–	(36,519)	589,087
Segment results:	(6,165,374)	(283,071)	157,638	(2,669)	(36,519)	(6,329,995)
<i>Reconciliations</i>						
Unallocated other income						4,919
Corporate administrative expenses						(75,865)
Finance costs						(1,027,452)
Loss before tax						(7,428,393)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

4. REVENUE, OTHER INCOME, GAINS AND LOSSES

An analysis of the Group's revenue is as follows:

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
<i>Revenue from contracts with customers</i>		
Sale of wines	23,716	80,888
Restaurant operations	58,195	66,027
Provision of wine storage services	7,691	10,087
Property management and related income	1,279*	35,726
Project management fee income	26,899	30,729
	117,780	223,457
<i>Interest income</i>		
Interest income from factoring services	246,448	203,323
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases – with fixed lease payments	5,857*	162,307
	370,085	589,087

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

For the twelve months ended 30 June 2021

4. REVENUE, OTHER INCOME, GAINS AND LOSSES (Continued)

**Revenue from contracts with customers
Disaggregated revenue information
For the twelve months ended 30 June 2021**

	Winery and wine related HK\$'000 (Unaudited)	Property development and investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Type of goods or services			
Sale of wines	23,716	–	23,716
Restaurant operations	58,195	–	58,195
Provision of wine storage services	7,691	–	7,691
Property management and related income	–	1,279*	1,279
Project management fee income	–	26,899	26,899
Total revenue from contracts with customers	89,602	28,178	177,780
Timing of revenue recognition			
Goods transferred at a point in time	81,911	–	81,911
Services transferred over time	7,691	28,178	35,869
Total revenue from contracts with customers	89,602	28,178	117,780

* For the period from 1 July 2020 to 13 July 2020

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

4. REVENUE, OTHER INCOME, GAINS AND LOSSES (Continued)

Revenue from contracts with customers (Continued)

Disaggregated revenue information (Continued)

For the twelve months ended 30 June 2020

	Winery and wine related HK\$'000 (Audited)	Property development and investment HK\$'000 (Audited)	Total HK\$'000 (Audited)
Types of goods or services			
Sale of wines	80,888	–	80,888
Restaurant operations	66,027	–	66,027
Provision of wine storage services	10,087	–	10,087
Property management and related income	–	35,726	35,726
Project management fee income	–	30,729	30,729
Total revenue from contracts with customers	157,002	66,455	223,457
Timing of revenue recognition			
Goods transferred at a point in time	146,915	–	146,915
Services transferred over time	10,087	66,455	76,542
Total revenue from contracts with customers	157,002	66,455	223,457

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

4. REVENUE, OTHER INCOME, GAINS AND LOSSES (Continued)

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Other income		
Bank interest income	12	2,584
Interest income from a deconsolidated subsidiary	101,339	–
Government grant	19,519	2,335
Others	1,359	1,540
	122,229	6,459
Other gains and losses		
Termination cost (Note)	(451,654)	–
	(451,654)	6,459
	(329,425)	6,459

Note: On 17 July 2020, the Group entered into a set of agreements, including a sale and purchase agreement and an option deed with an independent third party for the transfer of the entire equity interest in Rich Fast International Limited ("Rich Fast") and a project management agreement in connection with the Group's properties under development with an independent third party (the "Kai Tak Arrangement"). On 27 July 2020, the Group further entered into a sale and purchase agreement and a profit sharing agreement with another independent third party to dispose of the entire equity interest in Rich Fast at a cash consideration of approximately HK\$3,477 million. The Kai Tak Arrangement was terminated on 27 July 2020 and the Group incurred transaction costs of approximately HK\$451,654,000 for such termination.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

5. FINANCE COSTS

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Interest on bank and other borrowings	547,764	1,598,783
Interest on lease liabilities	410	282
Less: Interest capitalised	–	(571,613)
	548,174	1,027,452

6. LOSS BEFORE TAX

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

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Depreciation of owned assets	49,596	68,186
Less: Amount included in inventory overheads	(4,376)	(4,296)
	45,220	63,890
Depreciation of right-of-use assets	6,212	3,470
Amortisation of intangible assets	908	916

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

7. INCOME TAX EXPENSE

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Current – Hong Kong		
Charge for the period	–	–
Over provision in prior years	–	(90)
Current – Elsewhere		
Charge for the period	51,417	53,650
Overprovision in prior year	–	–
Deferred		
Charge for the period	702	–
Credit for the period	–	(17,986)
Tax charge for the period	52,119	35,574

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the twelve months ended 30 June 2021 (twelve months ended 30 June 2020: Nil).

9. LOSS PER SHARE

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

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Loss		
Loss attributable to owners of the Company, used in the basic loss per share calculation	(1,398,180)	(7,461,084)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

9. LOSS PER SHARE (Continued)

	Number of shares Twelve months ended 30 June	
	2021 '000	2020 '000
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	6,990,652	6,990,652
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	–
Weighted average number of ordinary shares in issue during the period used in the diluted loss per share calculation	6,990,652	6,990,652

The calculation of the diluted loss per share amount is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares used in the calculation is the weighted average number of ordinary shares in issue during the period, which was used in the basic loss per share calculation, plus the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

No adjustment has made to the basic loss per share amount presented for the twelve months ended 30 June 2021 and 30 June 2020 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share amount presented.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

10. INVESTMENT PROPERTIES

	HK\$'000
Carrying amount at 30 June 2019 and 1 July 2019 (audited)	18,500,000
Additions during the year	11,480
Non-cash lease incentives	9,060
Initial direct costs	951
Amortisation of lease incentives	(19,996)
Amortisation of initial direct costs	(5,572)
Change in fair value	(3,495,923)
Carrying amount at 30 June 2020 (audited)	15,000,000
Deconsolidation of a subsidiary	(15,000,000)
Carrying amount at 30 June 2021 (unaudited)	–

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

At 30 June 2020, the Group's investment properties stated at fair value was revalued by B.I. Appraisals Limited, an independent firm of professionally qualified valuers, on an open market, existing use basis.

The valuation of completed investment properties 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 and the direct comparison method which was based on price information of comparable properties of similar size, character and location and carefully weighted against all the respective advantages and disadvantages of each of the comparable properties in order to arrive at the fair value.

At 30 June 2021, the Group's investment properties were deconsolidated from the Group, details are set out in note 1 to the financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

11. TRADE RECEIVABLES

Included in the balances are trade receivables for wine trading, provision of wine storage services, provision of factoring services and project management services.

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

	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
Less than 121 days	3,751,752	2,736,539
121 to 150 days	4,221	910,295
151 to 180 days	40	2,855
181 to 365 days	12,416	17,470
Over 1 year	238,624	219,696
	4,007,053	3,886,855

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

12. AMOUNT DUE FROM RELATED COMPANIES

Particulars of the amounts due from related parties, disclosed pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

	30 June 2021 HK\$'000	Maximum amount outstanding during the period HK\$'000	30 June and 1 July 2020 HK\$'000	Maximum amount outstanding during the prior year HK\$'000	1 July 2019 HK\$'000
Companies controlled by Mr. Pan	26,417	26,417	8,875	1,376,770	144,186

The amounts due from related parties are unsecured, interest-free and repayable on demand.

13. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
Financial assets measured at fair value through profit or loss	6,230,102	—

As disclosed in note 1, the Group does not include Deconsolidated Subsidiaries in the scope of consolidation. Consequently, the group's interests in these deconsolidated subsidiaries are presented in the condensed consolidated financial statements as financial assets measured at fair value through profit or loss and are stated at fair value as at 30 June 2021. The directors measured the fair value of the Deconsolidated Subsidiaries based on net assets value of the Deconsolidated Subsidiaries as at 30 June 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

14. ASSETS/LIABILITIES OF A DISPOSAL GROUP

On 10 May 2020, the Group entered into a sale and purchase agreement (the "GF SPA") with an independent third party to dispose of its entire equity interest in Gold Flair Holdings Limited ("Gold Flair"), the holding company of Rich Fast International Limited (collectively the "GF Group"), and the related shareholder's loan at an aggregate consideration of HK\$7,040 million. Further details of which are set out in the Company's announcement dated 10 May 2020.

The assets and liabilities of the GF Group (excluding an inter-company loans and amounts due from/to group companies which are eliminated on consolidation) as at 30 June 2020 are as follows:

	HK\$'000 (Audited)
Assets	
Properties under development	7,000,000
Prepayment	2
Pledged deposits	23
Assets classified as held for sale	7,000,025
Liabilities	
Trade payables	9,032
Accruals and other payables	34,935
Interest-bearing bank borrowing	3,563,229
Liabilities directly associated with the assets classified as held for sale	3,607,196
Net assets directly associated with the disposal group	3,392,829

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

14. ASSETS/LIABILITIES OF A DISPOSAL GROUP (Continued)

On 17 July 2020, the GF SPA was terminated and, on 27 July 2020, the Group entered into a sale and purchase agreement (the "RF SPA") and a profit sharing agreement (the "Profit Sharing Agreement") with another independent third party to dispose of the entire equity interest in Rich Fast at a cash consideration of approximately HK\$3,477 million (the "Kai Tak Disposal"). Further details of the RF SPA and the Profit Sharing Agreement are set out in the Company's announcement dated 28 July 2020.

The Kai Tak Disposal was completed on 27 July 2020 and the Group received cash proceeds of approximately HK\$3,420 million, net of transaction costs.

Details of the net assets of the Rich Fast disposed of during the period and the financial impacts are summarized as follows:

	HK\$'000 (Unaudited)
Net asset disposed of:	
Properties under development	7,000,000
Pledged deposits	23
Trade payables	(9,032)
Accruals and other payables	(38,844)
Interest-bearing bank borrowing	(3,563,229)
	3,388,918
Gain on disposal	31,224
Satisfied by cash consideration	3,420,142

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

14. ASSETS/LIABILITIES OF A DISPOSAL GROUP (Continued)

An analysis of the cash flows in respect of the disposal of the Rich Fast is as follows:

	HK\$'000 (Unaudited)
Cash consideration	3,420,142
Pledged deposits disposed of	(23)
Net inflows of cash and cash equivalents in respect of the disposal of the Rich Fast	3,420,119

15. 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:

	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
Less than 121 days	191,709	295,428
121 to 150 days	–	107,393
151 to 180 day	–	912
181 to 365 days	1,339	1,728
Over 1 year	11	11
	193,059	405,472

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

16. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
Current		
Secured bank loans	1,994,286	15,719,381
Secured other loan	–	100,000
Unsecured bank overdrafts	1,540	636
Unsecured bank loan	2,306	4,595
Unsecured other loan	–	23,500
	1,998,132	15,848,112
Included in liabilities directly associated with the assets classified as held for sale	–	(3,563,229)
	1,998,132	12,284,883
Non-current		
Unsecured bank loan	4,870	897
	4,870	897
	2,003,002	12,285,780

17. COMMITMENTS

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

	30 June 2021 HK\$'000 (Unaudited)	30 June 2020 HK\$'000 (Audited)
Contracted, but not provided for: Acquisition of subsidiaries/project contracted amount	2,292,529	4,341,829

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

18. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the period:

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Transactions with related companies in which a substantial shareholder of the Company has beneficial interests:		
Sales of wines	38	2,936
Project management fee income	20,172	22,547
Project consultancy fee income	6,727	8,182
Property management fee income	146*	4,185
Rental income	932*	26,768
Rental expenses	65	38
Sales of food and beverage	5,698	8,355
Salaries recharge income	8,934	5,005

* For the period from 1 July 2020 to 13 July 2020

(b) Compensation of key management personnel

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

	Twelve months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Audited)
Short-term employee benefits	23,722	23,260
	23,722	23,260

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the twelve months ended 30 June 2021

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Except for financial assets measured at fair value through profit or loss as set out in note 13 to the financial statements, the Group did not have any financial assets and liabilities measured at fair value as at 30 June 2021 and 30 June 2020.

Management has assessed that the fair values of cash and bank balances, trade receivables, trade payables, financial assets measured at fair value through profit or loss, financial assets included in prepayments, deposits and other receivables, financial liabilities included in accruals and other payables and the current portion of interest-bearing bank and other borrowings, loan from/to deconsolidated subsidiaries, balances with deconsolidated subsidiaries and balances with related companies 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 and other payables 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 fair value approximated its carrying value as at 30 June 2021.