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GOLDIN FINANCIAL HOLDINGS LIMITED

高銀金融(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 530)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2018

The board (the “**Board**”) of directors (“**Directors**”) of Goldin Financial Holdings Limited (the “**Company**” or “**Goldin Financial**”) is pleased to announce the consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 30 June 2018, together with comparative figures for the previous year in 2017, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue	4	793,342	760,087
Cost of sales		(264,688)	(231,119)
Gross profit		528,654	528,968
Other income and gains	4	79,887	8,292
Change in fair value of an investment property	9	1,864,470	2,321,708
Selling and distribution expenses		(7,454)	(17,485)
Administrative expenses		(300,504)	(418,592)
Finance costs	6	(335,484)	(71,724)
PROFIT BEFORE TAX	5	1,829,569	2,351,167
Income tax expense	7	(58,010)	(32,794)
PROFIT FOR THE YEAR		1,771,559	2,318,373

* *for identification purposes only*

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

Year ended 30 June 2018

	<i>Note</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation of foreign operations		97,771	(66,408)
Reclassification adjustments for a foreign operation disposed of during the year		—	36,159
		<u>97,771</u>	<u>(30,249)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR			
		<u>97,771</u>	<u>(30,249)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u>1,869,330</u>	<u>2,288,124</u>
Profit for the year attributable to:			
Owners of the Company		1,202,264	1,419,573
Non-controlling interests		569,295	898,800
		<u>1,771,559</u>	<u>2,318,373</u>
Total comprehensive income attributable to:			
Owners of the Company		1,300,035	1,389,324
Non-controlling interests		569,295	898,800
		<u>1,869,330</u>	<u>2,288,124</u>
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY			
	8		
Basic		<u>HK17.20 cents</u>	<u>HK20.31 cents</u>
Diluted		<u>HK17.09 cents</u>	<u>HK20.19 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2018

	<i>Notes</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		2,015,681	2,018,419
Investment property	9	17,200,000	15,300,000
Prepaid land lease payments		47,171	47,127
Deferred tax assets		—	15,155
Intangible assets		113,416	96,279
Vines		13,671	13,535
Deposits		1,098	5,414
		<hr/>	<hr/>
Total non-current assets		19,391,037	17,495,929
CURRENT ASSETS			
Inventories		189,488	339,545
Properties under development	10	13,876,461	13,138,517
Prepayments, deposits and other receivables		46,354	23,901
Trade receivables	11	3,989,967	4,386,039
Due from a related company		753	1,910
Cash and bank balances		277,529	488,689
		<hr/>	<hr/>
Total current assets		18,380,552	18,378,601
CURRENT LIABILITIES			
Trade payables	12	416,149	589,286
Accruals, other payables and receipts in advance		651,504	679,499
Due to related companies		25,717	1,192,857
Due to non-controlling shareholders		95,648	121,796
Due to the immediate holding company		45,324	570,435
Tax payable		99,616	82,306
Interest-bearing bank and other borrowings	13	13,353,149	3,144,118
Loan from a non-controlling shareholder		518,296	—
		<hr/>	<hr/>
Total current liabilities		15,205,403	6,380,297
NET CURRENT ASSETS		<hr/> 3,175,149	<hr/> 11,998,304
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 22,566,186	<hr/> 29,494,233

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*30 June 2018*

	<i>Note</i>	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
NON-CURRENT LIABILITIES			
Rental deposits		38,178	—
Interest-bearing bank and other borrowings	<i>13</i>	3,546,413	11,194,595
Loan from a related company		37,877	517,605
Loan from a non-controlling shareholder		—	518,296
Deferred tax liabilities		21,228	20,656
		<hr/>	<hr/>
Total non-current liabilities		3,643,696	12,251,152
		<hr/>	<hr/>
Net assets		18,922,490	17,243,081
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to owners of the Company			
Share capital		699,065	699,065
Reserves		12,606,588	11,305,216
		<hr/>	<hr/>
		13,305,653	12,004,281
Non-controlling interests		5,616,837	5,238,800
		<hr/>	<hr/>
Total equity		18,922,490	17,243,081
		<hr/> <hr/>	<hr/> <hr/>

NOTES

1. CORPORATE AND GROUP INFORMATION

Goldin Financial Holdings Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 25/F, Goldin Financial Global Centre, 17 Kai Cheung Road, Kowloon Bay, Hong Kong.

The Company is a subsidiary of Goldin Global Holdings Limited which is incorporated in the British Virgin Islands. In the opinion of the directors, the Company’s ultimate holding company is Goldin Real Estate Financial Holdings Limited, a company incorporated in the British Virgin Islands.

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries during the year consisted of the provision of factoring services, financial investment, winery and wine related business, property development and investment, publication and operation of restaurants.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for an investment property and vines, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 30 June 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

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

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. Additional disclosure has been made in the notes to the financial statements of the Group's consolidated financial statements upon the adoption of amendments to HKAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

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 derivative investment and trading and investment in financial instruments.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit before tax except that interest income on bank balances, corporate sundry income, finance costs, as well as corporate administrative expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, cash and bank balances, and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payable, deferred tax liabilities and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 30 June 2018

	Property HK\$'000	Winery and wine related HK\$'000	Factoring HK\$'000	Financial investments HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue:						
Sales to external customers	84,639	548,028	160,675	—	—	793,342
Intersegment sales	34,373	—	—	—	(34,373)	—
Total	119,012	548,028	160,675	—	(34,373)	793,342
Segment results:						
<i>Reconciliation</i>						
Unallocated other income						74,330
Corporate administrative expenses						(59,860)
Finance costs						(335,484)
Profit before tax						<u>1,829,569</u>
Segment assets						
<i>Reconciliation</i>						
Corporate and unallocated assets						<u>300,359</u>
Total assets						<u>37,771,589</u>
Segment liabilities						
<i>Reconciliation</i>						
Corporate and unallocated liabilities						<u>292,928</u>
Total liabilities						<u>18,849,099</u>
Other segment information:						
Depreciation	16,084	55,008	313	—	—	71,405
Unallocated						<u>560</u>
						<u>71,965</u>
Amortisation of intangible assets	—	917	—	—	—	<u>917</u>
Amortisation of prepaid land lease payments	—	1,343	—	—	—	<u>1,343</u>
Additions to property, plant and equipment	13,308	3,885	580	—	—	17,773
Unallocated						<u>192</u>
						<u>17,965</u>
Increase in fair value of an investment property	1,864,470	—	—	—	—	<u>1,864,470</u>
Additions to vines, net	—	5,125	—	—	—	<u>5,125</u>

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 30 June 2017

	Property HK\$'000	Winery and wine related HK\$'000	Factoring HK\$'000	Financial investments HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue:						
Sales to external customers	22,140	550,779	187,168	—	—	760,087
Intersegment sales	18,638	—	—	—	(18,638)	—
Total	40,778	550,779	187,168	—	(18,638)	760,087
Segment results:						
<i>Reconciliation</i>						
Unallocated other income						32
Corporate administrative expenses						(115,447)
Finance costs						(71,724)
Profit before tax						<u>2,351,167</u>
Segment assets						
<i>Reconciliation</i>						
Corporate and unallocated assets						<u>512,879</u>
Total assets						<u>35,874,530</u>
Segment liabilities						
<i>Reconciliation</i>						
Corporate and unallocated liabilities						<u>686,932</u>
Total liabilities						<u>18,631,449</u>
Other segment information:						
Depreciation	9,902	78,476	328	—	—	88,706
Unallocated						<u>656</u>
						<u>89,362</u>
Amortisation of intangible assets	—	910	—	—	—	<u>910</u>
Amortisation of prepaid land lease payments	—	2,345	—	—	—	<u>2,345</u>
Additions to property, plant and equipment	74,316	3,749	881	—	—	78,946
Unallocated						<u>41</u>
						<u>78,987</u>
Increase in fair value of an investment property	2,321,708	—	—	—	—	<u>2,321,708</u>
Additions to vines, net	—	4,998	—	—	—	<u>4,998</u>

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	207,707	336,169
Mainland China	566,761	403,541
United States	14,450	16,534
France	4,424	3,843
	<u>793,342</u>	<u>760,087</u>

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Hong Kong	17,282,241	15,372,816
Mainland China	1,669,412	1,662,203
United States	319,822	328,418
France	119,562	117,337
	<u>19,391,037</u>	<u>17,480,774</u>

The non-current asset information above is based on the locations of the assets and excludes deferred tax assets.

Information about major customers

During the year ended 30 June 2018, revenue of HK\$148,907,000 (2017: HK\$169,778,000) was derived from one customer (2017: one customer) in the factoring segment, and revenue of HK\$95,283,000 and HK\$84,396,000 (2017: HK\$189,853,000 and HK\$89,206,000) was derived from two customers (2017: two customers) in the winery and wine related segment.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the aggregate of the value of services rendered; the net invoiced value of goods sold, after allowances for returns and discounts; and rental income received and receivable from an investment property during the year.

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

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Revenue		
Handling fee income and interest income from factoring services	160,675	187,168
Sales of wine	468,207	510,812
Publishing	—	148
Storage fee income	17,457	9,004
Restaurant operations	62,364	30,815
Rental income	69,515	18,928
Property management fee income	15,124	3,212
	<u>793,342</u>	<u>760,087</u>
Other income		
Bank interest income	68	32
Government grant	3,696	—
Others	1,862	3,222
	<u>5,626</u>	<u>3,254</u>
Other gains		
Gain on disposal of items of property, plant and equipment	—	2
Gain on disposal of subsidiaries	—	5,036
Foreign exchange differences, net	74,261	—
	<u>74,261</u>	<u>5,038</u>
	<u>79,887</u>	<u>8,292</u>

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2018	2017
	HK\$'000	HK\$'000
Cost of inventories sold**	194,575	177,020
Cost of services provided**	—	25,629
Direct operating expenses arising from a rental-earning investment property**	70,113	28,470
Depreciation of property, plant and equipment	71,965	89,362
Less: Amount included in inventory overheads	(4,859)	(4,797)
	67,106	84,565
Amortisation of intangible assets	917	910
Recognition of prepaid land lease payments	1,343	2,345
Employee benefit expenses (including directors' remuneration):		
Wages and salaries	135,435	111,926
Equity-settled share option expense	271	5,829
Retirement benefits scheme contributions*	5,879	2,317
Less: Amount capitalised	(17,391)	—
	124,194	120,072
Equity-settled share option expense to other eligible participants	1,066	22,832
Minimum lease payments under operating leases in respect of buildings	16,110	12,981
Auditor's remuneration	4,207	3,860
Loss/(gain) on disposal of items of property, plant and equipment, net	18	(2)
Write-off of items of property, plant and equipment	—	2
Foreign exchange differences, net	(74,261)	78,637

* At 30 June 2018, the Group had no forfeited contributions available to reduce its contributions to the retirement benefits schemes in future years (2017: Nil).

** These items are included in the "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Interest on bank and other borrowings	601,981	405,171
Less: Interest capitalised	<u>(477,733)</u>	<u>(333,447)</u>
	124,248	71,724
Finance costs on early redemption of bank borrowings	<u>211,236</u>	<u>—</u>
	<u>335,484</u>	<u>71,724</u>

7. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year ended 30 June 2018. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Current — Hong Kong		
Charge for the year	15,658	36,819
Overprovision in prior years	(30)	(1,810)
Current — Elsewhere		
Charge for the year	27,227	19,936
Overprovision in prior years	—	(6,996)
Deferred		
Charge/(credit) for the year	<u>15,155</u>	<u>(15,155)</u>
Tax charge for the year	<u>58,010</u>	<u>32,794</u>

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the Company and the weighted average number of ordinary shares of 6,990,652,000 in issue during the year ended 30 June 2018 (2017: 6,989,792,000).

The calculation of the diluted earnings per share amounts is based on the profit for the year 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 year, which was used in the basic earnings 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.

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (continued)

The calculations of basic and diluted earnings per share are based on:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	<u>1,202,264</u>	<u>1,419,573</u>
	Number of shares	
	2018	2017
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	6,990,652,000	6,989,792,000
Effect of dilution — weighted average number of ordinary shares: Share options	<u>43,818,000</u>	<u>41,136,000</u>
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	<u>7,034,470,000</u>	<u>7,030,928,000</u>

9. INVESTMENT PROPERTY

	<i>HK\$'000</i>
Carrying amount at 1 July 2016	12,500,000
Additions	478,292
Change in fair value	<u>2,321,708</u>
Carrying amount at 30 June 2017 and 1 July 2017	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	<u>1,864,470</u>
Carrying amount at 30 June 2018	<u><u>17,200,000</u></u>

The Group's investment property is situated in Hong Kong.

At 30 June 2018, the Group's investment property was revalued by B.I. Appraisals Limited (2017: Vigers Appraisal and Consulting Limited), an independent firm of professionally qualified valuers, on an open market, existing use basis.

At 30 June 2018, the Group's investment property with a carrying value of HK\$17,200,000,000 (2017: HK\$15,300,000,000) was pledged to secure loan facilities granted to the Group (note 13).

On a semi-annual basis, the Group engages external, independent and professionally qualified valuers to determine the fair value of the Group's investment property.

The Group's property manager and the chief financial officer have discussions with the valuers on the valuation assumptions and valuation results when the valuation is performed.

10. PROPERTIES UNDER DEVELOPMENT

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Carrying amount at 1 July	13,138,517	6,520,983
Additions during the year	<u>737,944</u>	<u>6,617,534</u>
Carrying amount at 30 June	<u>13,876,461</u>	<u>13,138,517</u>

At 30 June 2018, the Group's properties under development with a net carrying amount of approximately HK\$7,249,602,000 (2017: HK\$6,755,714,000) were pledged to secure banking facilities granted to the Group (note 13).

As at 30 June 2018 and 2017, 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.

11. TRADE RECEIVABLES

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Trade receivables	<u>3,989,967</u>	<u>4,386,039</u>

The Group's trade receivables arise from the provision of factoring services, wine trading, operation of restaurants, leasing of investment property and provision of property management services. The credit period granted to each customer is generally for a period of 120 to 150 days for factoring services and for a period of 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. The Group generally grants a rent-free period ranged from two to six months to the lessees of the Group's investment property.

Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management. There is a significant concentration of credit risk as approximately 84% (2017: 83%) of the Group's trade receivables are due from three (2017: three) debtors.

Trade receivables are non-interest-bearing, except for trade receivables from factoring services of HK\$3,022,207,000 (2017: HK\$3,280,020,000) which bear interest at 4.35% per annum (2017: 4.35% per annum). The Group does not hold any collateral or other credit enhancements over its trade receivables.

11. TRADE RECEIVABLES (continued)

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Less than 121 days	2,286,503	3,246,963
121 to 150 days	1,015,838	996,986
151 to 180 days	502,865	4,694
181 to 365 days	180,539	133,766
Over 1 year	4,222	3,630
	<u>3,989,967</u>	<u>4,386,039</u>

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Neither past due nor impaired	2,650,987	2,687,768
Less than 30 days past due	643,863	444,177
30 to 60 days past due	503,023	963,220
61 to 120 days past due	4,307	142,697
More than 120 days past due	187,787	148,177
	<u>3,989,967</u>	<u>4,386,039</u>

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to independent customers that have a good track record with the Group. The directors of the Company are of the opinion that no provision for impairment was necessary in respect of these balances as there had not been a significant change in credit quality and the balances are still considered to be fully recoverable.

As at 30 June 2018, included in the Group's trade receivables are amounts due from Mr. Pan Sutong ("Mr. Pan") and companies controlled by Mr. Pan aggregating to HK\$18,067,000 (2017: HK\$17,716,000). These receivables are repayable on credit terms similar to those offered to the major customers of the Group.

12. TRADE PAYABLES

An aged analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2018 <i>HK\$'000</i>	2017 <i>HK\$'000</i>
Less than 121 days	256,993	442,042
121 to 150 days	106,181	146,422
151 to 180 days	52,546	—
181 to 365 days	60	822
Over 1 year	369	—
	<hr/> 416,149 <hr/>	<hr/> 589,286 <hr/>

Trade payables are non-interest-bearing and have credit periods ranging from 14 days to 150 days (2017: 14 days to 150 days).

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2018			2017		
	Contractual interest rate	Maturity	HK\$'000	Contractual interest rate	Maturity	HK\$'000
Current						
Secured bank loan (note d)	HIBOR + 2.6%	2018	3,146,185	HIBOR + 2.6%	2018	3,142,185
Unsecured bank overdrafts (note a)	EURIBOR + 3.5%	On demand	696	EURIBOR + 3.5%	On demand	1,068
Unsecured bank loans — current portion (note e)	2.55%–4.6%	2019	175	2.35%–4.6%	2017–2019	865
Secured other loan (note f)	8%	2018	10,206,093	N/A	N/A	—
			13,353,149			3,144,118
Non-current						
Secured bank loan (note b)	N/A	N/A	—	HIBOR + 2.6%	2020–2022	7,979,281
Secured bank loan (note c)	HIBOR + 2.2%	2021	3,546,327	HIBOR + 2.2%	2021	3,215,060
Unsecured bank loans (note e)	2.55%–4.6%	2019	86	2.35%–4.6%	2017–2019	254
			3,546,413			11,194,595
			16,899,562			14,338,713
Analysed into:						
Bank loans repayable:						
Within one year or on demand			3,147,056			3,144,118
In the second year			86			59,419
In the third to fifth years, inclusive			3,546,327			11,135,176
			6,693,469			14,338,713
Other loan repayable:						
Within one year or on demand			10,206,093			—
			16,899,562			14,338,713

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) The overdraft facilities as at 30 June 2018 and 30 June 2017 were denominated in Euros.
- (b) As at 30 June 2017, the bank facility in the amount of HK\$8,500,000,000 was granted by a bank to a 60%-owned subsidiary, Smart Edge Limited (“**Smart Edge**”), which holds the Group’s investment property. Mr. Pan, the controlling shareholder of the Company, is beneficially interested in the remaining 40% of the issued share capital of Smart Edge.

As at 30 June 2017, the bank facility was secured by, among other things, the following:

- (i) a mortgage over the entire share capital of Smart Edge;
- (ii) a pledge over the investment property with an aggregate carrying value of HK\$15,300,000,000 at 30 June 2017 (note 9) and all financial benefits relating to the leases and sales of the investment property, together with the bank accounts used for the collection of the related receivables;
- (iii) a corporate guarantee given by the Company for an amount up to 60% of the outstanding bank borrowing; and
- (iv) a personal guarantee given by Mr. Pan for an amount up to 40% of the outstanding bank borrowing.

The above securities were all released during the year upon the repayment of all outstanding loan in full.

- (c) The bank facility in the amount of HK\$7,191,000,000 was granted by a bank to a 60%-owned subsidiary, Gold Topmont Limited (“**Gold Topmont**”), which holds certain properties under development. Mr. Pan is beneficially interested in the remaining 40% of the issued share capital of Gold Topmont.

The bank facility is secured by, among other things, the following:

- (i) a mortgage over the entire share capital of Gold Topmont;
- (ii) a pledge over the properties under development with an aggregate carrying value of HK\$7,249,602,000 (2017: HK\$6,755,714,000) (note 10);
- (iii) a corporate guarantee given by the Company for an amount up to 60% of the outstanding bank borrowing; and
- (iv) a personal guarantee given by Mr. Pan for an amount up to 40% of the outstanding bank borrowing.

13. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes: (continued)

- (d) The bank facility in the amount of HK\$3,146,185,000 (2017: HK\$3,146,185,000) was granted by a bank to a 50.1%-owned subsidiary, Gold Brilliant Investment Limited (“**Gold Brilliant**”), which holds certain properties under development. Mr. Pan is beneficially interested in the 49.9% (2017: 33.4%) of the issued share capital of Gold Brilliant.

The bank facility is secured by, among other things, the following:

- (i) a pledge over the investment property with an aggregate carrying value of HK\$15,300,000,000 at 30 June 2017 (note 9), which was released on 25 June 2018;
 - (ii) a corporate guarantee given by the Company for an amount up to 50.1% of the outstanding bank borrowing; and
 - (iii) a personal guarantee given by Mr. Pan for an amount up to 33.4% of the outstanding bank borrowing.
- (e) The carrying amounts of bank borrowings as at 30 June 2018 and 2017 were denominated in Euros.
- (f) The other loan facility in the amount of HK\$10,230,000,000 was granted by an independent third party to a 60%-owned subsidiary, Smart Edge, which holds the Group’s investment property. Mr. Pan is beneficially interested in the remaining 40% of the issued share capital of Smart Edge.

The other loan facility is secured by, among other things, the following:

- (i) a mortgage over the entire share capital of Smart Edge;
- (ii) floating charge over all the assets of Smart Edge;
- (iii) a pledge over the investment property with an aggregate carrying value of HK\$17,200,000,000 (note 9) and all financial benefits relating to the leases;
- (iv) a corporate guarantee given by the Company for an amount up to 60% of the outstanding other borrowing; and
- (v) a personal guarantee given by Mr. Pan for an amount up to 40% of the outstanding other borrowing.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 30 June 2018 (2017: Nil).

ANNUAL GENERAL MEETING

The annual general meeting (“AGM”) of the Company will be held on 23 November 2018 and the notice of 2018 AGM will be published and despatched in the manner as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in due course.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the financial year ended 30 June 2018 (“FY2018”), the Group recorded revenue of approximately HK\$793.3 million, representing a slight increase of 4.4% over the revenue of approximately HK\$760.1 million for the year ended 30 June 2017 (“FY2017”). The increase over the previous year was mainly because more revenues were generated by the leasing and restaurant businesses. Gross profit for the year under review amounted to HK\$528.7 million, which approximated that of HK\$529.0 million in FY2017. The Group recorded a fair value gain of HK\$1,864.5 million from the investment property, Goldin Financial Global Centre, in the year, which was 19.7% less than that of HK\$2,321.7 million for FY2017. Profit attributable to owners of the Company was approximately HK\$1,202.3 million, which represented a decrease of 15.3% compared with the figure of approximately HK\$1,419.6 million for FY2017. The decrease in profit attributable to the owners of the Company was mainly because of the smaller fair value gain from the investment property as compared with that of prior year as aforementioned. The basic and diluted earnings per share for the FY2018 were 17.20 HK cents and 17.09 HK cents respectively (FY2017: 20.31 HK cents and 20.19 HK cents respectively), representing corresponding decreases of 15.3% and 15.4%.

BUSINESS REVIEW

The FY2018 was a year of consolidation of the Group’s businesses. In April 2018, we announced our plan to streamline and consolidate the real estate business by disposing of the equity interests in the two residential property projects which were under construction and acquiring the remaining 40% equity interest in our investment property, Goldin Financial Global Centre. Upon the completion of the transactions, which are expected to take place in the first half of FY2019, Goldin Financial Global Centre will become wholly owned by the Group. The two property development projects represented all the property development projects of the Group, will be disposed to Mr. Pan Sutong (“Mr. Pan”), the controlling shareholder of the Company. The real estate business of the Group will then be focused on the property investment. The streamlining and consolidation of the real estate business are aimed at strengthening the liquidity of the Group for further business development.

Real Estate Business

Property Investment

Kowloon East is an up and coming alternative central business district (“**CBD2**”) in Hong Kong. The district enjoyed a strong growth of 10.5% in grade-A office price in 2017. Office leasing activities in this area continued to gather pace which drove the vacancy rate down consecutively to a single-digit by the end of June 2018[#]. The high take-up of office space in Kowloon East showed that 67% of the 3.1 million square feet (“**sq. ft.**”) of new supply in the area between 2017 and 2019 have been leased out^{##}. The promising take-up rates comprising several major leasing transactions by multi-national tenants further reinforce the bright prospect of this area to become Hong Kong’s CBD2.

[#] Source: *Savills Research and Consultancy*

^{##} Source: *DTZ Cushman & Wakefield*

The Group’s investment property, Goldin Financial Global Centre, is located in the CBD2 of Kowloon East. It is a premium grade-A office building providing approximately 800,000 square feet of premium office space and approximately 100,000 square feet of fine dining area. During the FY2018, increasing office leasing contracts were concluded and tenants of international enterprises had moved into the premises. We have secured a larger portfolio of more diverse tenants. In FY2018, rental income and revenue from property management services amounted to HK\$84.6 million (FY2017: HK\$22.1 million), up by 282.8% compared with FY2017. In addition, the Group recorded a fair value gain of approximately HK\$1,864.5 million from Goldin Financial Global Centre (FY2017: HK\$2,321.7 million). The fair value gain was 19.7% less compared with that for FY2017 because the commercial properties in CBD2 appreciated to a lesser degree in FY2018.

Property Development

Ho Man Tin Sheung Shing Street Project

The Group’s 60%-owned residential development project is situated at Sheung Shing Street, Ho Man Tin, with a total site area of approximately 9,074 square metres. During FY2018, the piling and foundation works at the site had been completed. The superstructure works commenced in August 2018 and are currently progressing well. The construction is expected to be completed by the end of 2020.

Ho Man Tin Station Package One Development Project

The Group’s 50.1%-owned joint venture for residential development of the Ho Man Tin Station Package One Development Project, which is situated at the Ho Man Tin Station of Hong Kong’s Mass Transit Railway, covered the maximum gross floor area of approximately 742,700 square feet. During FY2018, the piling and foundation works were in progress. The construction is expected to be completed by the end of 2022.

In April 2018, the Company entered into conditional sale and purchase agreements with Mr. Pan so as to re-structure the real estate business of the Group in the following manner:

- (1) the Company proposed to dispose to Mr. Pan (a) the entire 60% equity interest indirectly held by it in Gold Topmont, the developer of the Ho Man Tin Sheung Shing Street Project; (b) the entire 50.1% equity interest indirectly held by it in Gold Brilliant, the developer of the Ho Man Tin Station Package One Development Project. These transactions mean the disposal of all the property development projects of the Group; and
- (2) the Company proposed to acquire from Mr. Pan the 40% equity interests currently held indirectly by him through Goal Eagle Limited so that the Group shall wholly own the investment property, Goldin Financial Global Centre, upon completion of such acquisition.

The real estate business of the Group will immediately be focused on property investment after the above transactions (the “**Proposed Transactions**”). The net effect of the considerations which is estimated to be approximately HK\$6,794.1 million, subject to adjustment and audit after completion, shall provide cash inflows for the Group’s further business development.

Wine and Related Businesses

The wine industry in Hong Kong and China continued to flourish. Hong Kong’s wine imports have expanded rapidly since the elimination of import duties in February 2008. According to the information from the Hong Kong Trade Development Council, in the period of January to June 2018, wine imports amounted to HK\$6.2 billion, more than three times the 2007 value of HK\$1.6 billion. About 33% of these imported wines are re-exported, and the rest — about 67% — are either taken outside Hong Kong by individuals or retained in Hong Kong for storage or immediate consumption[#].

[#] *Source: Hong Kong Trade Development Council*

China’s growing wine consumption has been demonstrated by the progressive volume of annual wine imports since 2013. Unlike in the past when imported wines were mainly premium red wines used for business entertaining or gifting, the China wine market is now characterised by young, affluent consumers who opt to drink for personal enjoyment at a competitive price^{##}. The bloom of online sales channel allows such consumers to easily buy wines from different regions and suppliers. Wine imports from such countries as Australia and Chile had become very popular with the young and affluent Chinese consumers, and the two countries had the second and third largest shares (after France) of China’s market for bottled wines import by the e-commerce channels in the past five years.

^{##} *Source: Wine Intelligence — China Landscapes 2018*

International wine trading in Hong Kong and China has been pressured by higher wine import costs due to low global wine production in 2017. Similar to other wine producers in the region, the Group's vineyards in Bordeaux were hit by frost, reducing the quantity of grapes harvested as well as the number of bottles produced. In the United States, we had successfully harvested our crop despite the devastating wildfires in California in early October 2017, and production of our 2017 vintage was not affected.

The Group continued to promote its premium fine wines overseas through appointed distributors in order to enhance their visibility and branding. In China, the Group pursued its sales strategies, offering full services to customers, from sourcing of prestige wines by renowned producers to portfolio management of premium wines and quality storage services at our well-equipped wine cellar in Guangzhou.

In Hong Kong, the Group's prestigious SLOAN ESTATE wine are now available for sale in selected local retail stores. The four fine-dining and speciality 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. Besides showcasing the talents of our own award-winning chefs, the Group also invited a well-known international chef for a guest appearance at LE PAN restaurant to offer an extraordinary Michelin-star dining experience. Moreover, our restaurants offered a wider variety of wines and liquors to cater to local consumers' expanding tastes. We will gear our marketing efforts towards the preferences of more young and affluent middle-class customers.

In FY2018, the wine and related businesses recorded revenues of approximately HK\$548.0 million (FY2017: HK\$550.8 million). This slight decrease of 0.5% over that of FY2017 was mainly due to the decrease in revenue generated by the wine trading business, and the decrease was partially offset by the increase in revenues from the restaurant and storage businesses. Segment profit from our wine and related businesses was approximately HK\$154.3 million (FY2017: HK\$168.3 million), which represented a decrease of 8.3% over FY2017. This contraction was mainly because in FY2018 we traded less self-produced wine products as compared with that of FY2017, resulting in a drop in the overall profit margin.

Factoring

China's factoring market was characterized by strong competition from an increasing number of registered domestic commercial factors and the persistently low short-term lending rates. The number of registered domestic commercial factors in China continued to grow explosively and increased by 50% in the year ended 31 December 2017. Accordingly, our factoring business continued to face challenges. During the year under review, the Group further reduced the handling fees and charges to the existing customers in view of the increasing competition in China's factoring market.

Against this backdrop, the Group's factoring business recorded revenue of approximately HK\$160.7 million (FY2017: HK\$187.2 million), down by 14.2%. To cope with the reduced prices of its factoring service, the Group reduced the commission fees paid to the import factors for the existing clients with good credit standing in FY2018. Profit from this business segment increased by 79.8% to approximately HK\$140.1 million, compared with the HK\$77.9 million for FY2017.

FINANCIAL REVIEW

Liquidity, Financial Resources and Gearing

As at 30 June 2018, the Group's working capital stood at approximately HK\$3,175.1 million, which is a significant decrease of 73.5% over the HK\$11,998.3 million recorded at the end of FY2017. The working capital decreased mainly because the Group had refinanced its long term mortgage loan of approximately HK\$8,367.2 million with a short term borrowing in June 2018. Cash and cash equivalents totaled approximately HK\$277.5 million, down by 43.2% compared with the HK\$488.7 million at the end of FY2017.

As at 30 June 2018, the Group's interest-bearing bank and other borrowings amounted to approximately HK\$16,899.6 million (30 June 2017: HK\$14,338.7 million). The increase was mainly due to the loans drawn down for financing the Group's properties development projects, as well as for the settlement of the long outstanding consideration for the acquisition of the wine cellar in Guangzhou in FY2016. Besides, the Group had an outstanding non-interest bearing loan of approximately HK\$518.3 million (30 June 2017: HK\$518.3 million) from a non-controlling interest which represented the funding contribution from the joint venture partner for financing the acquisition of the Group's properties under development in FY2017.

The Group maintained a borrowing facility of US\$500 million (equivalent to HK\$3,922.7 million) (30 June 2017: US\$500 million (equivalent to HK\$3,875 million) from a related company in which Mr. Pan, the controlling shareholder of the Company, has a beneficial interest. During the year, the Group repaid approximately HK\$479.7 million which had been drawn down in the prior year for financing the acquisition of the Group's properties under development. As a result, the amount of the facilities utilized as at 30 June 2018 was lowered to approximately US\$4.8 million (equivalent to HK\$37.9 million) (30 June 2017: US\$66.8 million (equivalent to HK\$517.6 million)). The undrawn borrowing facility as at 30 June 2018 was approximately US\$495.2 million (equivalent to HK\$3,884.8 million) (30 June 2017: US\$433.2 million (equivalent to HK\$3,356.7 million)).

As at 30 June 2018, the debt-to-total assets ratio, which is calculated as total bank and other borrowings, loan from a non-controlling shareholder and loan from a related party ("**Total Debts**") divided by total assets of the Group, was maintained at a healthy level of 46.2%, compared with 42.9% as at 30 June 2017. The ratio of net debts (Total Debts net of cash and bank balances) divided by total assets was approximately 45.5% (30 June 2017: 41.5%).

Foreign Exchange

As the Group's key operations are located in Hong Kong, China, the US and France, its major assets and liabilities are primarily denominated in 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

As at 30 June 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 the funds drawn down, had been utilized to the extent of HK\$9,881.3 million (30 June 2017: HK\$8,402.6 million).

PLEDGE OF ASSETS

As at 30 June 2018, the Group's secured bank and other borrowings were secured by (i) the investment property with an aggregate carrying value of HK\$17,200 million (30 June 2017: HK\$15,300 million); (ii) the properties under development with an aggregate carrying value of HK\$7,249.6 million (30 June 2017: HK\$6,775.7 million); (iii) the entire share capital of Smart Edge, the Company's 60%-owned subsidiary which holds the investment property; (iv) all assets of Smart Edge and (v) the entire share capital of Gold Topmont, a 60%-owned subsidiary of the Company which holds the properties under development.

In addition, the Group pledged its prepaid land lease payments with a net carrying amount of HK\$48.5 million (30 June 2017: HK\$48.4 million) and buildings with a net carrying amount of HK\$1,616.5 million (30 June 2017: HK\$1,608.2 million) for a bank facility granted but not yet utilized as at 30 June 2018 and 30 June 2017.

PROSPECTS

Real Estate Business

The uncertainties in global economic outlook are looming as a result of the heightened trade tensions in the recent months. Corporations are generally becoming more cost-conscious. In Hong Kong, office decentralization is an easy, fast and cost-efficient way to trade up to high-grade office space and to curb the capital expenditure at the same time. The growing trend towards office decentralization has been reflected by the high take-up of office space in the submarket for office.

The Group has been delighted to see the vigorous growth in demand for office space in Kowloon East, which supplies lots of new grade-A office space at rents that are more competitive than those in the traditional business districts on Hong Kong Island. The Group is currently in negotiations with potential tenants who are internationally well-known enterprises. It expects the occupancy rate of offices at Goldin Financial Global Centre to rise steadily in the years ahead.

The Proposed Transactions in the Group's real estate business segment will improve the Group's gearing ratio and thus enhance its financial strength when they are completed. We will also explore other possibilities of real estate investment and will study them carefully should the opportunities arise.

Wine and Related Businesses

The 2018 wine harvest in France was set to rebound from the low in 2017 when one of the smallest grape crops since 1945 was recorded, according to the country's Ministry of Agriculture. The country's wine production in 2018 is estimated to rise by 20% compared with the historical low in 2017[#]. Thanks to the good weather in 2018, the production levels for the Group's French vineyards is also expected to normalise for the 2018 vintage. Our vineyard in Napa, California is also expecting a bountiful harvest this year.

[#] *Source: www.decentor.com*

China has recently imposed a retaliatory tariff on US wine imports in response to increased trade tariffs levied by US. Meanwhile, the continued development of online sale platforms in China will increase price transparency and, at the same time, intensify the competition in the market for the mid-range wines. Nevertheless, the Group will continue with its strategy in its wine-trading business — it will secure a stable supply of wines under its own brands from the US and France and continue to promote its wines locally in Hong Kong and China. It will build a stronger sales team to cater for the growing demand in the Hong Kong wine market. 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. Moreover, a new café is underway, offering additional choices of light refreshments to customers.

Meanwhile, the Group will continue to build up its market position in China, aiming for a wider market coverage in the key cities. The Group will continue to explore other possibilities, including acquisitions in wine and related businesses in order to increase its market penetration in Hong Kong and China, as well as internationally.

Factoring

With the increasing competition and reduced factoring fees, revenue from the Group's factoring business is expected to decrease in the coming year. The Group will strive to maintain the competitive edge of its factoring business and continue its prudent approach to managing risks and selecting clients. It will also explore possibilities of forming new ventures and cooperating with other commercial factors and financial institutions in developing new products and services in China's financial sector.

Overall

We remain confident that our real estate business will continue to be prosperous as it is bolstered by Goldin Financial Global Centre in terms of investment value and rental income. Besides strengthening the existing wine and beverages business, the Group will continue to explore opportunities for investment with an aim to maximize values for our shareholders.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2018, the Group employed a total of 323 employees (as at 30 June 2017: 325). Total staff costs were approximately HK\$124.2 million (30 June 2017: approximately HK\$120.1 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 in order to achieve the Group's business performance targets.

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

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 audits and financial reporting matters including the review of the consolidated financial statements of the Group for the year ended 30 June 2018.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 30 June 2018 as set out in this announcement have been agreed by the Company's external auditor, Ernst & Young to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with *Hong Kong Standards on Auditing*, *Hong Kong Standards on Review Engagements* or *Hong Kong Standards on Assurance Engagements* issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on this announcement.

CORPORATE GOVERNANCE

The Company strives to uphold recognized corporate governance practices to enhance the long-term benefits and interests of the shareholders of the Company and to strengthen the Group's performance. Throughout the year ended 30 June 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.

PUBLICATION OF THE ANNUAL REPORT

The annual report of the Company for the year ended 30 June 2018 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.goldinfinancial.com in due course.

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

Hong Kong, 18 September 2018

As at the date of this announcement, the Board comprises Mr. Pan Sutong (Chairman), Professor Huang Xiaojian and Mr. Zhou Xiaojun as the executive Directors; and Hon. Shek Lai Him Abraham (GBS, JP), Ms. Hui Wai Man, Shirley, Mr. Tang Yiu Wing and Ms. Gao Min as the independent non-executive Directors respectively.

* for identification purposes only