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 SECOND UNAUDITED INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 30 JUNE 2021

The board (the "**Board**") of directors ("**Director(s)**") of Goldin Financial Holdings Limited ("**Goldin Financial**" or the "**Company**") is pleased to present the second unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the twelve months ended 30 June 2021 together with comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Twelve months ended 30 June 2021

		Twelve months ended 30 June	
	Notes	**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		**(329,425)**	6,459
Gain on disposal of a subsidiary		**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		**(548,174)**	(1,027,452)
Loss before tax	5	**(1,346,061)**	(7,428,393)
Income tax expense	6	**(52,119)**	(35,574)
Loss for the period		**(1,398,180)**	(7,463,967)

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

Twelve months ended 30 June 2021

	Note	Twelve months ended 30 June 2021 HK$'000 (Unaudited)	2020 HK$'000 (Audited)
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)
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	8		
Basic — For loss for the period		**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		**—**	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	9	**4,007,053**	3,886,855
Due from related companies		**26,417**	8,875
Financial assets measured at fair value through profit or loss		**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		**—**	7,000,025
Total current assets		**13,140,408**	11,719,038
CURRENT LIABILITIES			
Trade payables	10	**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		**1,998,132**	12,284,883
		7,492,954	13,863,430
Liabilities directly associated with the assets classified as held for sale		**—**	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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2021

	30 June 2021	30 June 2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Other payables	**2,423**	41,099
Interest-bearing bank and other borrowings	**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

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.

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.

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.

(ii) On 2 September 2020, the Group entered into a term sheet with an independent third party for the disposal of Goldin Factoring 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.

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

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.

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**
Reconciliations						
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)
Reconciliations						
Unallocated other income						4,919
Corporate administrative expenses						(75,865)
Finance costs						(1,027,452)
Loss before tax						(7,428,393)

4. REVENUE

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

	Twelve months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Revenue from contracts with customers		
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
Interest income		
Interest income from factoring services	**246,448**	203,323
Revenue from other sources		
Gross rental income from investment property operating lease — with fixed lease payments	**5,857***	162,307
	370,085	589,087

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

5. LOSS BEFORE TAX

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

	Twelve months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(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

6. INCOME TAX EXPENSE

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

7. 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).

8. LOSS PER SHARE

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

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

	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.

9. 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

10. 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	30 June 2020
	HK$'000	*HK$'000*
	(Unaudited)	(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

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.

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, pursuance 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.

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**").

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.

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 hash 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.

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.

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 announcement.

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.

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).

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.

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.

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.

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.

PUBLICATION OF INTERIM REPORT

The interim report of the Company for the twelve months ended 30 June 2021 containing all the applicable information required by the Listing Rules will be despatched to the shareholders 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*
Hui Wai Man, Shirley
Executive Director

Hong Kong, 30 August 2021

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

* *for identification purposes only*