

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



金利來

**GOLDLION HOLDINGS LIMITED**

**金利來集團有限公司**

(Incorporated in Hong Kong under the Hong Kong Companies Ordinance)

(Stock code: 533)

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30TH JUNE 2011**

**RESULTS**

The Board of Directors announces the unaudited condensed consolidated results of Goldlion Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30th June 2011 as follows:

**Condensed Consolidated Income Statement  
For the six months ended 30th June 2011**

|  | Note | Unaudited<br>Six months ended |                              |
|--|------|-------------------------------|------------------------------|
|  |      | 30.6.2011<br>HK\$'000         | 30.6.2010<br>HK\$'000        |
| Turnover   | 2    | 805,264                       | 667,089                      |
| Cost of sales  | 4    | (323,289)                     | (267,275)                    |
| Gross profit   |      | 481,975                       | 399,814                      |
| Other gains, net   | 3    | 41,756                        | 15,406                       |
| Selling and marketing costs  | 4    | (151,437)                     | (110,439)                    |
| Administrative expenses  | 4    | (98,593)                      | (89,858)                     |
| Operating profit   |      | 273,701                       | 214,923                      |
| Interest income  |      | 9,508                         | 4,025                        |
| Profit before income tax   |      | 283,209                       | 218,948                      |
| Income tax expense   | 5    | (79,750)                      | (57,013)                     |
| Profit for the period  |      | 203,459                       | 161,935                      |
| Profit attributable to:  |      |                               |                              |
| Owners of the parent   |      | 203,042                       | 161,535                      |
| Non-controlling interests  |      | 417                           | 400                          |
|  |      | 203,459                       | 161,935                      |
| Earnings per share for profit attributable to owners of the parent during the period | 6    | <i>HK cents</i>               | <i>HK cents</i>              |
| - basic  |      | 20.67                         | 16.48                        |
| - diluted  |      | 20.67                         | 16.45                        |
|  |      | <b>30.6.2011</b><br>HK\$'000  | <b>30.6.2010</b><br>HK\$'000 |
| Dividend   |      | 83,480                        | 68,748                       |

**Condensed Consolidated Statement of Comprehensive Income  
For the six months ended 30th June 2011**

|   | <b>Unaudited</b>        |                  |
|---|-------------------------|------------------|
|   | <b>Six months ended</b> |                  |
|   | <b>30.6.2011</b>        | <b>30.6.2010</b> |
|   | HK\$'000                | HK\$'000         |
| Profit for the period   | 203,459                 | 161,935          |
| Other comprehensive income  |                         |                  |
| Exchange differences on translation of financial<br>statements of overseas subsidiaries | 59,056                  | 15,858           |
| Total comprehensive income for the period   | <u>262,515</u>          | <u>177,793</u>   |
| Attributable to:  |                         |                  |
| Owners of the parent  | 262,098                 | 177,393          |
| Non-controlling interests   | 417                     | 400              |
| Total comprehensive income for the period   | <u>262,515</u>          | <u>177,793</u>   |

**Condensed Consolidated Balance Sheet  
As at 30th June 2011**

|   |      | As at                                |                                     |
|---|------|--------------------------------------|-------------------------------------|
|   | Note | 30.6.2011<br>(Unaudited)<br>HK\$'000 | 31.12.2010<br>(Audited)<br>HK\$'000 |
| <b>ASSETS</b>   |      |                                      |                                     |
| <b>Non-current assets</b>                                       |      |                                      |                                     |
| Land use rights   |      | 16,438                               | 17,017                              |
| Property, plant and equipment                                   |      | 207,334                              | 208,407                             |
| Investment properties   |      | 1,915,826                            | 1,838,348                           |
| Deferred income tax assets                                      |      | 46,670                               | 42,139                              |
|   |      | <u>2,186,268</u>                     | <u>2,105,911</u>                    |
| <b>Current assets</b>   |      |                                      |                                     |
| Completed properties held for sale                              |      | 4,547                                | 14,712                              |
| Inventories   |      | 181,118                              | 144,222                             |
| Trade receivables   | 7    | 44,348                               | 49,831                              |
| Prepayments, deposits and other receivables                     |      | 106,516                              | 52,279                              |
| Bank deposits   |      | 262,038                              | 60,552                              |
| Cash and cash equivalents                                       |      | 701,861                              | 869,108                             |
|   |      | <u>1,300,428</u>                     | <u>1,190,704</u>                    |
| <b>Total assets</b>   |      | <b><u>3,486,696</u></b>              | <b><u>3,296,615</u></b>             |
| <b>EQUITY</b>   |      |                                      |                                     |
| <b>Capital and reserve attributable to owners of the parent</b> |      |                                      |                                     |
| Share capital   |      | 98,211                               | 98,211                              |
| Reserves  |      | 2,589,212                            | 2,410,594                           |
| Proposed dividend   |      | 83,480                               | 137,496                             |
|   |      | <u>2,770,903</u>                     | <u>2,646,301</u>                    |
| <b>Non-controlling interests</b>                                |      | 1,728                                | 1,311                               |
| <b>Total equity</b>   |      | <u>2,772,631</u>                     | <u>2,647,612</u>                    |
| <b>LIABILITIES</b>  |      |                                      |                                     |
| <b>Non-current liabilities</b>                                  |      |                                      |                                     |
| Deferred income tax liabilities                                 |      | 303,243                              | 277,697                             |
| <b>Current liabilities</b>                                      |      |                                      |                                     |
| Trade payables  | 8    | 49,813                               | 56,572                              |
| Other payables and accruals                                     |      | 337,599                              | 295,605                             |
| Current income tax liabilities                                  |      | 23,410                               | 19,129                              |
|   |      | <u>410,822</u>                       | <u>371,306</u>                      |
| <b>Total liabilities</b>  |      | <u>714,065</u>                       | <u>649,003</u>                      |
| <b>Total equity and liabilities</b>                             |      | <b><u>3,486,696</u></b>              | <b><u>3,296,615</u></b>             |
| <b>Net current assets</b>                                       |      | <u>889,606</u>                       | <u>819,398</u>                      |
| <b>Total assets less current liabilities</b>                    |      | <u>3,075,874</u>                     | <u>2,925,309</u>                    |

Notes:

## 1. Principal accounting policies

This condensed consolidated interim financial information for the six months ended 30th June 2011 has been prepared in accordance with Hong Kong Accounting Standards ('HKAS') 34 'Interim financial reporting' issued by the Hong Kong Institute of Certified Public Accountants, and applicable requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2010.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December 2010, as described in those annual financial statements.

The following new standards and amendments to standard are mandatory for the first time for the financial year beginning on or after 1st January 2011.

HKAS 24 (Revised), 'Related party disclosures'  
HKAS 34 (Amendment), 'Interim financial reporting'

These standards and amendments to standard do not have significant impact on the Group's condensed consolidated interim financial information for the six months ended 30th June 2011.

The following amendments and interpretations to existing standards are effective in 2011 but not relevant to the Group.

HKFRSs (Amendment), 'Improvements to HKFRSs 2010'  
HKAS 32 (Amendment), 'Classification of rights issues'  
HKFRS 1 (Amendment), 'Limited exemption from comparative HKFRS 7 disclosures for first-time adopters'  
HK(IFRIC) - Int 14 (Amendment), 'Prepayments of a minimum funding requirement'  
HK(IFRIC) - Int 19, 'Extinguishing financial liabilities with equity instruments'

## 2. Turnover and segment information

The Group is principally engaged in the distribution and manufacturing of garments, leather goods and accessories, licensing of brand name, and property investment and development. Turnover recognized during the period is as follows:

|  | <b>Six months ended</b> |                  |
|--|-------------------------|------------------|
|  | <b>30.6.2011</b>        | <b>30.6.2010</b> |
|  | HK\$'000                | HK\$'000         |
| Sales of goods                                 | 665,428                 | 532,127          |
| Gross rental income from investment properties | 59,525                  | 57,558           |
| Sales of properties                            | 33,381                  | 35,294           |
| Building management income                     | 17,637                  | 15,878           |
| Licensing income                               | 29,293                  | 26,232           |
|  | <b>805,264</b>          | <b>667,089</b>   |

An analysis of the Group's segment information by operating segment is as follows:

|   | <b>Six months ended</b> |                  | <b>Six months ended</b> |                  |
|---|-------------------------|------------------|-------------------------|------------------|
|   | <b>30.6.2011</b>        | <b>30.6.2010</b> | <b>30.6.2011</b>        | <b>30.6.2010</b> |
|   | <b>Segment</b>          | <b>Segment</b>   | <b>Segment</b>          | <b>Segment</b>   |
|   | <b>turnover</b>         | <b>turnover</b>  | <b>results</b>          | <b>results</b>   |
|   | HK\$'000                | HK\$'000         | HK\$'000                | HK\$'000         |
| Operating segments                          |                         |                  |                         |                  |
| Apparel in China Mainland and Hong Kong SAR | 613,863                 | 491,486          | 185,363                 | 150,023          |
| Apparel in Singapore and Malaysia           | 80,858                  | 66,873           | 5,523                   | 9,743            |
| Property investment and development         | 113,194                 | 111,258          | 110,617                 | 78,176           |
| Inter-segment sales                         | (2,651)                 | (2,528)          | -                       | -                |
|   | <b>805,264</b>          | <b>667,089</b>   | <b>301,503</b>          | <b>237,942</b>   |
| Unallocated costs                           |                         |                  | (18,294)                | (18,994)         |
| Profit before income tax                    |                         |                  | 283,209                 | 218,948          |
| Income tax expense                          |                         |                  | (79,750)                | (57,013)         |
| Profit for the period                       |                         |                  | <b>203,459</b>          | <b>161,935</b>   |

### 3. Other gains, net

|  | Six months ended |               |
|--|------------------|---------------|
|  | 30.6.2011        | 30.6.2010     |
|  | HK\$'000         | HK\$'000      |
| Fair value gains on investment properties  | 38,707           | 15,406        |
| Gain on disposal of an investment property | 3,049            | -             |
|  | <u>41,756</u>    | <u>15,406</u> |

### 4. Expenses by nature

|  | Six months ended |                |
|--|------------------|----------------|
|  | 30.6.2011        | 30.6.2010      |
|  | HK\$'000         | HK\$'000       |
| Cost of properties sold                                      | 12,725           | 17,119         |
| Cost of inventories sold                                     | 295,864          | 224,617        |
| (Reversal of)/provision for impairment of inventories        | (4,344)          | 6,767          |
| Impairment loss on property, plant and equipment             | -                | 1,050          |
| Direct operating expenses arising from investment properties | 15,043           | 14,181         |
| Amortization of land use rights                              | 894              | 785            |
| Depreciation of property, plant and equipment                | 14,055           | 11,869         |
| Staff costs including directors' emoluments                  | 107,503          | 87,667         |
| Other expenses   | 131,579          | 103,517        |
|  | <u>573,319</u>   | <u>467,572</u> |
| Representing:  |                  |                |
| Cost of sales  | 323,289          | 267,275        |
| Selling and marketing costs                                  | 151,437          | 110,439        |
| Administrative expenses                                      | 98,593           | 89,858         |
|  | <u>573,319</u>   | <u>467,572</u> |

## 5. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the period.

Taxation on profits generated in the PRC has been calculated on the estimated assessable profit for the period at the rate of 25% (2010: 25%). Taxation on profits outside Hong Kong and the PRC has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged to the condensed consolidated interim income statement represents:

|                             | Six months ended      |                       |
|-----------------------------|-----------------------|-----------------------|
|                             | 30.6.2011<br>HK\$'000 | 30.6.2010<br>HK\$'000 |
| Current tax                 |                       |                       |
| - Hong Kong                 | 466                   | -                     |
| - PRC enterprise income tax | 56,065                | 51,571                |
| - Overseas taxation         | 939                   | 1,782                 |
| - Land appreciation tax     | 6,936                 | (786)                 |
| Deferred income tax         | 15,344                | 4,446                 |
| Total income tax expense    | <u>79,750</u>         | <u>57,013</u>         |

## 6. Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the parent of HK\$203,042,000 (six months ended 30th June 2010: HK\$161,535,000) and the weighted average number of 982,114,035 shares in issue during the period (six months ended 30th June 2010: 980,280,134 shares in issue during the period excluding ordinary shares purchased by a subsidiary and held as treasury shares).

The calculation of diluted earnings per share is based on the Group's profit attributable to owners of the parent of HK\$203,042,000 (six months ended 30th June 2010: HK\$161,535,000) and the weighted average number of 982,114,035 (six months ended 30th June 2010: 982,114,035) shares in issue during the period. No adjustment has been made to the basic earnings per share amounts presented during the period. In the same period last year, adjustment was made for the effect of all potential dilutive ordinary shares deemed to be transferred to an employee at nil consideration under the Share Award Scheme.

## 7. Trade receivables

The Group grants credit terms to customers ranging from cash on delivery, letter of credit or 30 to 90 days after delivery. An ageing analysis of the trade receivables, net of provision, is as follows:

|              | <b>As at<br/>30.6.2011</b> | <b>As at<br/>31.12.2010</b> |
|--------------|----------------------------|-----------------------------|
|              | HK\$'000                   | HK\$'000                    |
| 1-30 days    | 36,456                     | 43,985                      |
| 31-90 days   | 7,440                      | 5,553                       |
| Over 90 days | 452                        | 293                         |
|              | <u>44,348</u>              | <u>49,831</u>               |

## 8. Trade payables

An ageing analysis of the trade payables is as follows:

|              | <b>As at<br/>30.6.2011</b> | <b>As at<br/>31.12.2010</b> |
|--------------|----------------------------|-----------------------------|
|              | HK\$'000                   | HK\$'000                    |
| 1-30 days    | 43,231                     | 43,519                      |
| 31-90 days   | 5,971                      | 10,723                      |
| Over 90 days | 611                        | 2,330                       |
|              | <u>49,813</u>              | <u>56,572</u>               |

## INTERIM DIVIDEND

The Directors have recommended the payment of an interim dividend of 8.5 HK cents per share (2010: 7.0 HK cents per share) for the year ending 31st December 2011, totaling HK\$83,480,000 (2010: HK\$68,748,000), which is expected to be payable on or about 28th September 2011 to shareholders whose names appear on the Register of Members as at 16th September 2011.



## MANAGEMENT DISCUSSION AND ANALYSIS

### OPERATING RESULTS

#### Turnover and gross profit

Despite uncertainties in the global economy and China Mainland's slackened growth owing to economic control and adjustment, the Group's performance in the six months ended 30th June 2011 remained satisfactory with turnover totaling HK\$805,264,000, representing an increase of 21% over the same period last year.

During the period, sales growth was mainly generated from the Group's apparel sales. Double digit growth was recorded in China Mainland and Singapore operations, the two major markets of the Group's apparel business. Besides, income from rental of properties, building management and licensing of brand name was higher than the same period last year.

Gross profit of the period was HK\$481,975,000, up by 21% from HK\$399,814,000 of the same period last year. Such an increase was in line with the growth rate of total turnover. Overall gross profit margin was approximately 59.9% and was basically the same as the same period last year.

#### Operating expenses and operating profit

Operating expenses (including selling and marketing costs and administrative expenses) of the Group during the period were HK\$250,030,000, which were 25% higher than the same period last year.

Taking advantage of growing sales and gross profit, the Group reinforced publicity for its apparel in the China Mainland market by staging more large-scale events on top of those for the corresponding period last year. Such events included the sponsorship of the 2011 World Department Store Forum held in Shanghai. At the same time, incentives to the Group's distributors in upgrading the decoration and display of their outlets increased during the period. The Group believed that these measures in enhancing brand image would be conducive to top line growth. Besides, with turnover rentals of the Group's sales counters and salesman salaries rising in line with sales growth, selling and marketing costs went up by 37% to reach HK\$151,437,000 when compared with the same period last year.

During the period, the Group recorded other gains of HK\$41,756,000 including fair value gains on investment properties of HK\$38,707,000 and gain on disposal of an investment property in Meizhou of HK\$3,049,000.

Operating profit for the reporting period amounted to HK\$273,701,000 compared with 214,923,000 for the same period last year, representing an increase of 27%. The operating profit margin was about 34%, representing a year-on-year increase of about 1.8 percentage points.

#### Profit attributable to owners of the parent

Profit attributable to owners of the parent during the period was HK\$203,042,000, rising by 26% from HK\$161,535,000 of the same period last year. Profit for the period would be HK\$156,923,000 if fair value gains on investment properties (after tax) of HK\$32,310,000 (six months ended 30th June 2010: HK\$13,602,000) and gains on sales of properties in Meizhou (after tax) of HK\$13,809,000 (six months ended 30th June 2010: HK\$13,473,000) were excluded. Such profit marked an increase of 17% from HK\$134,460,000 of the same period last year.

## **BUSINESS REVIEW**

### **Apparel Business**

#### *China Mainland and Hong Kong SAR Markets*

Impacted by monetary squeeze and economic adjustment and control measures, China Mainland's economy as a whole slowed down. Consumer sentiment, however, remained strong and turnover from the Group's apparel operation in the local market stood at HK\$583,219,000, increasing by approximately 26%, or approximately 21% in Renminbi ("RMB") over the same period last year.

Our apparel operation in the China Mainland market is mainly conducted through wholesaling to distributors in various cities and provinces, as well as directly operating retail shops in Guangzhou, Shanghai and Beijing. In terms of RMB, sales to distributors and by self-operated retail shops grew by 21% and 23% respectively. At the end of the period under review, there were a total of 1,200 Goldlion outlets in China Mainland, of which 78 were directly under the Group's operation.

During the review period, the Group continued to enhance its brand and product image. In addition to classier product design and more advertisement placement, major branding events were launched to better garner customer acceptance and recognition. Besides, the Group continued to tightly control its product costs and succeeded in maintaining the gross profit margin in line with the corresponding period last year despite rising production costs.

During the period, the Group started the "Gold Label Store Scheme" on a trial basis. The Scheme is to upgrade the decoration and display style of selected outlets with good track records for the supply of upper-end "Gold Label" line of products. Initial market response was encouraging towards the limited "Gold Label" products made available as part of our 2011 spring and summer collections.

As a pre-emptive move to prevent loss in sales arising from possible supply delay, the production cycle for our 2011 fall and winter collections has been advanced. As a result, an amount of HK\$32,733,000 of the related stocks was included in the inventories at the period end and resulted in an increase in inventory level when compared with that at the end of last year.

Licensing income for the period amounted to HK\$29,293,000, representing a rise of about 12%, or approximately 7% in RMB over the same period last year. The growth was mainly attributable to the incremental increase in license fees stipulated in the current agreements. Licenses granted during the period mainly cover shoes, leather goods, undergarments, woolen sweaters, sports and causal wear and accessories for the China Mainland market.

#### *Singapore and Malaysia Markets*

Mainly due to the impetus generated by the leisure and tourism sector, the Singapore economy was on the ascent despite economic instability abroad. Benefiting from such an environment, the Group's apparel retail business achieved sales in the amount of HK\$76,861,000, rising by about 22% over the same period last year. The growth was about 9% in Singapore dollars owing to appreciation of the local currency during the period.

Apparel retail being our core business in the Singapore market, the Group has slightly increased the number of its local outlets. At the end of the period, there were a total of 8 Goldlion shops and 21 counters, with the latter increasing by 2 over that at the end of the last corresponding period. By comparable outlets and in local currency, sales rose by approximately 9% over the same period last year.

While sales followed an upward trend, inflating operating costs, especially production costs, outlet rentals and staff wages, exerted pressure on our business and caused a decrease in overall operating profit during the period.

The Group's business in the Malaysia market being smaller in scale, sales stood at HK\$3,997,000, representing a year-on-year growth of approximately 3%. At the end of the period, the Group had a total of 22 outlets in the local market.

## **Property Investments and Development**

There was no major change in the Group's portfolio of investment properties from its position at the end of last year and performance continued to be stable. Fair value gains on investment properties recognized by the Group after independent professional valuations amounted to HK\$38,707,000 compared with HK\$15,406,000 for the same period last year. Besides stable property market condition, the increase in fair value of our major investment properties was also attributable to our efforts in preserving their leasing potential.

Rental income generated during the reporting period stood at HK\$59,525,000, rising by approximately 3% over that of the last corresponding period. Turning to individual properties, leasing of the Goldlion Digital Network Centre in Tianhe, Guangzhou, remained to be stable. Following the transfer of the top floor of the building for the Group's own use at the end of last year and hence a reduction in leasable area, rental income was comparable with that for the corresponding period last year while occupancy was maintained at around 90%.

Leasing for the Goldlion Commercial Building in Shenyang was likewise stable, with overall occupancy maintaining at 100%. A year-on-year growth of about 8% in rental income was registered.

Regarding the resettlement of our property in Anhui Road in Changning, Shanghai, the Group has initially approached the relevant authorities for negotiation but progress has been little so far.

In Hong Kong, the sixth floor of the Goldlion Holdings Centre in Shatin was leased out early this year. Coupled with the upward adjustment in rentals for leases entered into last year, this has brought about a year-on-year increase of approximately 16% in overall rental income in Hong Kong. At present, all of the Group's investment properties in Hong Kong have been leased out.

During the period, a total of about 3,565 square meters of commercial spaces and 6 carparks from the property development project in Meizhou were sold, which contributed sale proceeds of approximately HK\$33,381,000 to the Group. The Group also disposed of an investment property under the project during the period with gain on disposal of HK\$3,049,000.

## **PROSPECTS**

With economies worldwide in a state of panic triggered by the downgrade of US credit ratings and the Eurozone debt crisis, development of the global economy is likely to be unpredictable for the second half of this year. Inevitably, operation in the Mainland China market will also be affected.

Nevertheless, the Group expects continuous growth in Mainland China's domestic demand, which will be favourable to the Group's local operation. As such, enhancing product quality and brand image will continue to be the Group's priorities. In addition, sales are expected to be boosted under the next phase of the "Gold Label Store Scheme" scheduled for the second half of the year with more 2011 fall and winter "Gold Label" products made available.

Regarding the Singapore Market, turmoil in business environment in the second half of the year is expected. Aiming at uplifting the profitability, the Group will continue to target for a sales growth and to control the operating costs tightly.

As for investment properties, the Group will continue to add value to its properties on hand to ensure a steady inflow of rental revenue. The Group also plans to offer the remaining premises of the Meizhou development project for sale depending on market conditions.

## **FINANCIAL POSITION**

As at 30th June 2011, the Group had cash and bank balances of approximately HK\$963,899,000, which was HK\$34,239,000 higher than that at the end of last year. During the period, the Group recorded a net cash inflow from operating activities of HK\$146,241,000 and gains from foreign exchange rate changes of HK\$23,157,000, but paid dividends of HK\$137,496,000. As at 30th June 2011, the Group did not have any bank loans or overdrafts.

As at 30th June 2011, the Group's current assets and liabilities were HK\$1,300,428,000 and HK\$410,822,000 respectively, with current ratio at approximately 3.2. Total current liabilities were 15% of the average capital and reserves attributable to owners of the parent of HK\$2,708,602,000.

As at 30th June 2011, the Group did not have any significant contingent liabilities or capital commitment and there were no charges on any of the Group's assets.

## **HUMAN RESOURCES**

At 30th June 2011, the Group had approximately 1,700 employees. Employees' costs during the first six months of the year including directors emoluments amounted to HK\$107,503,000. The Group ensures that employees' remuneration packages are competitive and are determined mainly on factors including job nature, market conditions, individual performance, qualification and experience. The Group also provides other benefits to its employees and training as and when required.

## **CLOSURE OF REGISTER OF MEMBER**

For the purpose of determining shareholders' entitlement to the proposed dividend, the Register of Members of the Company will be closed on 15th September 2011 and 16th September 2011 (two days), during which period no transfer will be effected.

In order to qualify for the above-mentioned interim dividend, all transfers accompanied by the relevant shares certificates must be lodged by 4:30 p.m. on Wednesday, 14th September 2011 with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

The Company did not redeem any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the period.

## **CORPORATE GOVERNANCE**

The Company has complied with the Code Provisions in Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the six months ended 30th June 2011 except that all of the non-executive Directors of the Company have not been appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. During the six months ended 30th June 2011, all the Directors have complied with the relevant requirements under the Model Code regarding their dealing in the securities of the Company.

## **AUDIT COMMITTEE**

The Company has formed an Audit Committee to review and supervise the financial reporting process and internal control procedures of the Group. At present, the Audit Committee has four members including Mr. Li Ka Fai, David (Chairman), Dr. Wong Ying Ho, Kennedy (Deputy Chairman) and Dr. Lau Yue Sun, all of them being independent non-executive Directors, and Mr. Ng Ming Wah, Charles, a non-executive Director of the Company.

## **REVIEW OF FINANCIAL INFORMATION**

The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended 30th June 2011. At the request of the Board of Directors, the Company's external auditors, PricewaterhouseCoopers, have carried out a review of this unaudited interim financial information in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

## **PUBLICATION OF INFORMATION ON THE WEBSITE OF THE COMPANY AND THE STOCK EXCHANGE**

The interim results announcement is published on the website of the Company ([www.goldlion.com](http://www.goldlion.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2011 interim report, containing all the information required by Appendix 16 to the Listing Rules, will be despatched to shareholders and made available on the above websites in due course.

## **BOARD OF DIRECTORS**

As at the date of this announcement, the directors of the Company comprise Dr. Tsang Hin Chi, Mr. Tsang Chi Ming, Ricky and Madam Wong Lei Kuan as executive Directors; Mr. Ng Ming Wah, Charles as a non-executive Director; and Dr. Lau Yue Sun, Dr. Wong Ying Ho, Kennedy and Mr. Li Ka Fai, David as independent non-executive Directors.

By order of the Board

**Kam Yiu Kwok**

Company Secretary

Hong Kong, 30th August 2011