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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 FINAL RESULTS
 FOR THE YEAR ENDED 31ST DECEMBER 2015**

RESULTS

The Board of Directors is pleased to announce the consolidated results of Goldlion Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31st December 2015 together with the comparative figures for the previous year as follows:

**Consolidated Income Statement
 For the year ended 31st December 2015**

	Note	2015 HK\$'000	2014 HK\$'000
Turnover	2	1,509,640	1,541,224
Cost of sales	4	(604,116)	(682,610)
Gross profit		905,524	858,614
Other gains	3	169,135	198,513
Selling and marketing costs	4	(400,068)	(356,038)
Administrative expenses	4	(217,657)	(200,049)
Operating profit		456,934	501,040
Interest income		35,439	31,606
Profit before income tax		492,373	532,646
Income tax expense	5	(90,501)	(111,604)
Profit for the year attributable to owners of the Company		401,872	421,042
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share for profit attributable to owners of the Company during the year			
- Basic and diluted	6	40.92	42.87

Consolidated Statement of Comprehensive Income
For the year ended 31st December 2015

	2015 HK\$'000	2014 HK\$'000
Profit for the year	401,872	421,042
Other comprehensive income		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Revaluation of investment property upon reclassification from land use rights, and property, plant and equipment	1,939	7
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(133,959)	(30,575)
Other comprehensive income for the year	(132,020)	(30,568)
Total comprehensive income for the year attributable to owners of the Company	269,852	390,474

**Consolidated Balance Sheet
As at 31st December 2015**

	Note	31.12.2015 HK\$'000	31.12.2014 HK\$'000
ASSETS			
Non-current assets			
Land use rights		30,894	29,026
Property, plant and equipment		184,110	208,832
Investment properties		2,395,188	2,317,794
Deferred income tax assets		60,659	77,175
		<u>2,670,851</u>	<u>2,632,827</u>
Current assets			
Property under development held for sale		127,155	-
Inventories		200,890	245,580
Trade receivables	8	82,491	103,654
Prepayments, deposits and other receivables		48,804	178,648
Tax recoverable		1,020	-
Bank deposits		974,930	882,383
Cash and cash equivalents		236,741	357,651
		<u>1,672,031</u>	<u>1,767,916</u>
Total assets		<u>4,342,882</u>	<u>4,400,743</u>
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		1,101,358	1,101,358
Other reserves		2,517,243	2,473,277
Total equity		<u>3,618,601</u>	<u>3,574,635</u>
LIABILITIES			
Non-current liabilities			
Accruals		165	-
Deferred income tax liabilities		360,300	377,745
		<u>360,465</u>	<u>377,745</u>
Current liabilities			
Trade payables	9	23,954	51,405
Other payables and accruals		325,435	360,484
Current income tax liabilities		14,427	36,474
		<u>363,816</u>	<u>448,363</u>
Total liabilities		<u>724,281</u>	<u>826,108</u>
Total equity and liabilities		<u>4,342,882</u>	<u>4,400,743</u>

Notes:

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(a) Amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1st January 2015:

Amendments from annual improvements to HKFRSs – 2012 Cycle, on HKFRS 8, “Operating segments”, HKAS 16, “Property, plant and equipment” and HKAS 24, “Related party disclosures”.

Amendments from annual improvements to HKFRSs – 2013 Cycle, on HKFRS 13, “Fair value measurement” and HKAS 40, “Investment property”.

(b) The following amended standards have been published and are mandatory for the Group’s accounting periods beginning on or after 1st January 2015, but are not currently relevant to the Group

HKAS 19 (Amendment)	Defined benefit plans: Employee contributions
HKAS 38 (Amendment)	Intangible assets
HKFRS 3 (Amendment)	Business combinations

(c) New Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

The financial information relating to the years ended 31st December 2015 and 2014 included in this preliminary announcement of annual results of 2015 does not constitute the Company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31st December 2014 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 31st December 2015 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under section 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

- (d) The following new and amended standards have been issued but are not effective for the financial year beginning 1st January 2015 and have not been early adopted

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1st January 2016
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortization	1st January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants	1st January 2016
HKAS 27 (Amendment)	Equity method in separate financial statements	1st January 2016
HKFRS 9	Financial instruments	1st January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Not yet established by HKICPA
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception	1st January 2016
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations	1st January 2016
HKFRS 14	Regulatory deferral accounts	1st January 2016
HKFRS 15	Revenue from contracts with customers	1st January 2018
HKFRSs (Amendment)	Annual improvements 2014 cycle	1st January 2016

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 year is as follows:

	2015 HK\$'000	2014 HK\$'000
Sales of goods	1,217,166	1,259,110
Gross rental income from investment properties	156,673	150,055
Building management fees	41,707	42,852
Licensing income	94,094	89,207
	<u>1,509,640</u>	<u>1,541,224</u>

The segments are managed separately as each business offers different products and services and requires different marketing strategies. The Group has three reportable segments including apparel in China Mainland and Hong Kong SAR, apparel in Singapore and Malaysia as well as property investment and development.

The Group reports the result of its operating segments based on the internal reports reviewed by the chief operating decision maker that are used to make strategic decisions.

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

	2015 Segment turnover HK\$'000	2014 Segment turnover HK\$'000	2015 Segment results HK\$'000	2014 Segment results HK\$'000
Operating segments				
Apparel - China Mainland and Hong Kong SAR	1,200,770	1,221,214	278,583	273,811
Apparel - Singapore and Malaysia	110,490	127,103	(5,417)	2,340
Property investment and development	206,076	200,929	297,209	314,223
Inter-segment sales	(7,696)	(8,022)	-	-
	<u>1,509,640</u>	<u>1,541,224</u>	<u>570,375</u>	<u>590,374</u>
Unallocated costs			(78,002)	(57,728)
Profit before income tax			492,373	532,646
Income tax expense			(90,501)	(111,604)
Profit for the year			<u>401,872</u>	<u>421,042</u>

3. Other gains

	2015	2014
	HK\$'000	HK\$'000
Fair value gains on investment properties	169,135	107,831
Gains on disposals of assets classified as held for sale	-	90,682
	<u>169,135</u>	<u>198,513</u>

4. Expenses by nature

	2015	2014
	HK\$'000	HK\$'000
Cost of inventories sold	581,879	631,242
Reversal of impairment of inventories	(23,862)	(322)
Direct operating expenses arising from investment properties that generated rental income	43,921	43,833
Operating lease rentals - land and buildings	101,021	103,599
Amortization of land use rights	1,960	1,979
Depreciation of property, plant and equipment	25,393	30,944
Impairment of property, plant and equipment	-	3,879
Staff costs including directors' emoluments	225,981	232,355
Auditors' remuneration - audit services	3,642	3,546
Advertising and promotion expenses	116,940	76,977
Net exchange loss	28,416	8,027
Other expenses	116,550	102,638
	<u>1,221,841</u>	<u>1,238,697</u>
Representing:		
Cost of sales	604,116	682,610
Selling and marketing costs	400,068	356,038
Administrative expenses	217,657	200,049
	<u>1,221,841</u>	<u>1,238,697</u>

5. Income tax expense

	2015	2014
	HK\$'000	HK\$'000
Hong Kong profits tax		
Current year	1,466	1,486
Over-provision in prior year	(88)	-
	<u>1,378</u>	<u>1,486</u>
Taxation outside Hong Kong		
Current year	71,552	101,514
Under-provision in prior years	230	32
	<u>71,782</u>	<u>101,546</u>
Deferred income tax	<u>17,341</u>	<u>8,572</u>
Total income tax expense	<u>90,501</u>	<u>111,604</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year. Taxation on profits generated in the PRC has been calculated on the estimated assessable profit for the year at the rate of 25% (2014: 25%). Taxation on profits outside Hong Kong and the PRC has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

6. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of HK\$401,872,000 (2014: HK\$421,042,000) and the number of ordinary shares in issue of 982,114,035 (2014: 982,114,035) during the year.

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares in issue during the years ended 31st December 2015 and 2014.

7. Dividends

	2015	2014
	HK\$'000	HK\$'000
2014 interim dividend, paid, of 8.0 HK cents per ordinary share	-	78,569
2014 final dividend, paid, of 16.0 HK cents per ordinary share	-	157,138
2015 interim dividend, paid, of 7.0 HK cents per ordinary share	68,748	-
2015 final dividend, proposed, of 14.0 HK cents per ordinary share	137,496	-
	<u>206,244</u>	<u>235,707</u>

8. Trade receivables

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

	As at 31.12.2015	As at 31.12.2014
	HK\$'000	HK\$'000
1-30 days	60,564	67,104
31-90 days	12,371	34,826
Over 90 days	9,556	1,724
	<u>82,491</u>	<u>103,654</u>

9. Trade payables

The ageing of the trade payables based on invoice date was as follows:

	As at 31.12.2015	As at 31.12.2014
	HK\$'000	HK\$'000
1-30 days	18,882	32,469
31-90 days	3,739	12,000
Over 90 days	1,333	6,936
	<u>23,954</u>	<u>51,405</u>

FINAL DIVIDEND

The Directors have recommended the payment of a final dividend of 14.0 HK cents per share (2014: 16.0 HK cents per share) for the year ended 31st December 2015, totalling HK\$137,496,000 (2014: HK\$157,138,000). Subject to the shareholders' approval at the forthcoming annual general meeting, the final dividend will be paid on or about 7th June 2016 to shareholders whose names appear on the Register of Members as at 27th May 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

Turnover and gross profit

During the year under review, global economy was unstable following the turmoil of the China Mainland financial market and devaluation of Renminbi (“RMB”). The Group with a major presence in the Mainland market, recorded a total turnover for the year of HK\$1,509,640,000, representing a year-on-year drop of 2%. The decrease was coming from the apparel business in the China Mainland and the Singapore markets and mainly related to exchange rate fluctuations. Income from the Group’s property investment and licensing businesses were all higher than that of last year.

Gross profit for the year was HK\$905,524,000, representing an increase by 5% from HK\$858,614,000 of last year. Overall gross profit margin was approximately 60%, up by about 4.3 percentage points from 55.7% of last year. Gross profit margin for our apparel business in China Mainland was 54.6%, representing an increase of 5.4 percentage points. This is mainly due to the reversal of impairment for inventories and better product cost control in China during the year. Besides, due to effective control, direct operating expenses for investment properties remained stable despite of the growth in rental income during the year.

Operating expenses and operating profit

Selling and marketing costs for the year increased by 12% to HK\$400,068,000. The growth in sales of the Group’s e-commerce operation in China during the year caused the increases in relevant commission expenses. Besides, the Group put more resources in advertising and promotion activities and in shop decoration following the launch of new decoration design during the year. Due to the higher proportion of turnover generated from self-operated retailing and e-commerce businesses which incurred more selling expenses, percentage of selling and marketing costs to the overall turnover increased from 23.1% of last year to 26.5%.

Administrative expenses of the Group during the year were HK\$217,657,000, increased by 9% from last year. This was due to the devaluation of RMB during the year which resulted in an exchange loss (mainly on RMB deposits in Hong Kong) of HK\$28,416,000, while exchange loss for last year was HK\$8,027,000. Administrative expenses for the year will be 1% lower than last year if effects on exchange loss were excluded.

During the year, the Group recorded fair value gains on investment properties of HK\$169,135,000. Other gains for last year included fair value gains on investment properties of HK\$107,831,000 and gains on disposal of assets classified as held for sale (the properties in Anhua Road, Changning District, Shanghai) of HK\$90,682,000.

Operating profit for the year amounted to HK\$456,934,000 which marked a decrease of 9% from HK\$501,040,000 of last year. The operating profit margin was approximately 30.3% and was lower than last year’s 32.5% by 2.2 percentage points mainly due to the decrease in other gains resulted from the one off gain from the disposal of property in last year.

Profit attributable to owners of the Company

Profit attributable to owners of the Company for the year was HK\$401,872,000, decreased by 5% from HK\$421,042,000 of last year. Profit for the year would be HK\$247,212,000 if fair value gains after tax on investment properties of HK\$154,660,000 were excluded. Such profit marked a decrease of 3% from HK\$255,382,000 of last year if the fair value gains after tax on investment properties of HK\$97,648,000 and gains after tax on disposal of assets classified as held for sale of HK\$68,012,000 were excluded. However, profit will be 5% higher than last year if effects on exchange loss were also excluded.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

During the year under review, China Mainland's economy continued to slow down alongside a drop in GDP growth. With the financial market fluctuating, the stock market plummeting from its high of the early months and the RMB devaluing in the second half of the year, downside pressure was the greatest in years. This dealt a heavy blow to consumer confidence despite repeated government stimuli to boost domestic demand. In the circumstances, the Group's apparel business was faced with immense difficulties in the local market.

In China Mainland, the Group has been conducting its apparel operation primarily through wholesaling to distributors in various cities and provinces, through self-operated retail shops (including factory outlets) located mainly in Guangzhou, Shanghai and Beijing, as well as through e-commerce. For the year as a whole, overall turnover decreased by approximately 2% when compared with last year. However, turnover was in line with last year in term of RMB which was the result of the growth in e-commerce being offset by decrease in other lines of businesses.

Regarding our wholesaling operation, business of the Group's distributors has not improved as they were still struggling with gloomy market sentiment and sluggish inventory turnover. Also, department stores asked our distributors for increasing expenses and higher discounts to customers. During the year, the Group mainly sold its 2015 collections to distributors with the sales amount comparable with that of last year. To ease their operating pressure, distributors were allowed to return off-season stocks for our e-commerce sales, resulting in a year-on-year decrease of approximately 7% in sales to distributors in RMB.

The Group has made it a practice to regularly review the performance of local distributors. To further expand sales for the Goldlion brand, appropriate assistance has been offered to distributors in order to enhance their sale capabilities.

Affected by weak spending and unfavorable retail market conditions, sales of self-operated retail shops were less satisfactory than expected. In the middle of the year, the Group took over 15 retail shops in Chongqing that were originally operated by our local distributor. Annual sales of self-operated retail shops, excluding those in Chongqing, fell by about 10%. Except for the Guangzhou area, the amount of which remained unchanged, sales of comparable retail outlets in Beijing and Shanghai both registered double-digit decreases.

The weak market necessitated a bigger discount to be offered at our factory outlets, resulting in a year-on-year decrease of approximately 9% in overall sales.

At the end of the year, the Group had approximately 1,020 retail outlets (including factory outlets) in China, among which about 100 were self-operated. The total number of retail outlets was about 100 less than that at the end of last year owing to the closure of certain low performers. The Group will continue to review the business of its outlets to ensure operational cost-effectiveness.

Launched in the second half of 2013, e-commerce became increasingly established during the year. Overall sales increased by about 86% from last year, which is better than our expectation. Without compromising offline sales, online stores were opened at major e-commerce websites in China Mainland primarily for clearing off-season inventories. In view of the rapid growth in e-sales in the Mainland market, e-commerce is expected to become a driver of the Group's business growth.

Due to the sales growth of e-commerce operations which have been set up mainly for clearing off-season stocks, overall inventory balance at end of the year was lower than that of last year. As a result, a reversal of impairment for inventories in China by approximately HK\$27,420,000 was recognized during the year.

Licensing income for the year amounted to HK\$94,094,000, representing an increase of around 5% from last year. The growth was mainly attributable to the annual increment of license fees stipulated in the licensing agreements. During the year, the Group granted licenses for distribution of shoes, leather goods, undergarments, woollen sweaters and casual wear in the China Mainland market. The Group also strengthened supervision over licensees and provided them with appropriate support through our designated licensing department. The aim is to ensure that they are in line with the Group's brand development.

Singapore and Malaysia Markets

For the year as a whole, overall sales of the Group's businesses in Singapore and Malaysia amounted to HK\$110,490,000, representing a decrease of approximately 13% when compared with last year. The drop was partly attributable to the weak Singapore Dollar, the exchange rate of which was 7% lower than that of the previous year. In local currency, sales also reduced by approximately 7% from last year due to the weak market condition.

During the year, both Singapore and Malaysia continued to suffer from an economic slowdown. Retail weakened across the board with visitors and consumer spending both dwindling, greatly impacting on the Group's local business.

Sales of comparable retail outlets decreased by about 8% in local currency when compared with last year. The total number of outlets remained the same as that of last year since the opening of 2 shops towards the end of the year was offset by the closure of 2 counters in department stores that went out of business. At the end of the year, there were a total of 10 Goldlion shops and 22 counters in Singapore compared with 21 counters in Malaysia.

The Group's vigorous efforts in cost control during the year have successfully brought down overall operating costs. There was, however, a slide in gross profit margin along with sales in addition to an inventory impairment of HK\$3,558,000 caused by an increase in off-season stocks. As a result, a loss of HK\$5,417,000 was registered for the Singapore and Malaysia markets against an operating profit for last year of HK\$2,340,000.

Property Investment and Development

The Group's investment property portfolio had no significant changes since the end of last year and business has continued to remain stable during the year. Fair value gains on investment properties recognized by the Group after independent professional valuations amounted to HK\$169,135,000. These included gains of HK\$111,233,000 from investment properties in Hong Kong, the growth of which was largely attributable to the upward rental trend in the local properties held by the Group and the buoyancy of the local property market. The fair value gains for last year stood at HK\$107,831,000.

Rental income and building management fees for the year amounted to HK\$156,673,000 and HK\$41,707,000 respectively, representing an increase of around 3% in total over last year. Direct operating expenses on investment properties were comparable with last year's under the Group's stringent cost controls. Operating profit for the business unit excluding fair value gains on investment properties and gains from disposals of property was therefore approximately 11% higher than last year.

Leasing of Goldlion Digital Network Centre in Tianhe, Guangzhou, continued to grow steadily and occupancy rate was maintained at around 94%. Coupled with renewal of leases at a satisfactory rental level, this has led to a year-on-year increase of approximately 4% in rental income and building management fees in RMB.

In Shenyang, leasing of Goldlion Commercial Building was likewise stable, with overall occupancy rate maintained at 100%. Following renewal of a major lease at a higher rental level, rental income and building management fees in RMB for the year increased by approximately 3% over last year.

In Hong Kong, on account of higher rental levels under new leases, total rental income and building management fees of the Group's local properties increased by approximately 8% over last year. As at the end of year, all local properties held by the Group were leased out. Regarding Goldlion Holdings Centre in Shatin, the Group has already applied to the Lands Department for waiver for conversion of the land use by end of the year following the approval of the revitalization project by the Town Planning Board.

Regarding the piece of land with a site area of approximately 75,949 square meters in Meixian, the certificate of land use right was not granted until early this year owing to resettlement delays. With part of the land formation works undertaken during the year, the project is currently at the initial planning phase and caution will be exercised when executing the development plan.

PROSPECTS

Although some economic analyses predicted a negative outlook for China Mainland economy, the Group is optimistic about its long-term economic development. After years of rapid growth, the current slowdown is only a healthy adjustment that paves way for stronger development in the long run. Since the market is likely to remain volatile in the short term, business environment is expected to be fraught with difficulties and challenges in 2016, especially in the first half of the year when all unfavorable factors come into effect. Sales of 2016 spring and summer products are therefore expected to be highly affected accordingly, especially our wholesaling business to distributors.

At present, wholesaling to distributors remains to be the Group's most important business segment. To ensure sustainable development, the Group will take measures to provide distributors with a more favorable operating environment and to foster their confidence. The Group will supply them with better quality, more fast moving and competitive products and will increase the return and exchange ratio beginning with the 2016 fall and winter products. Total preliminary order amount from the 2016 fall and winter collections sales fair held in early March is just slightly lower than those for the corresponding season last year, indicating that the distributors' confidence has already bottomed out. The goods ordered will be delivered during the second half of the year.

Considering the on-going adjustment in China Mainland's retail market, it is unlikely that the Group's business of self-operated retail shops and factory outlets will make any major breakthrough in 2016.

With regard to the Group's e-commerce, sales have initially been a success. In view of the rapid surge in online sales in recent years, remarkable growth is expected to continue. Taking into account the drop in off-season stocks, the proportion of special selected items to be sold online will be raised to sustain growth.

The rapid change in the China Mainland market in recent years suggests that conventional business model may not be able to respond most effectively to the latest market developments. To ensure business growth in the foreseeable future, the Group will closely monitor the development of the macro market environment in its review and enhancement of existing operations. Feasible and profitable business strategies will also be formulated to this end.

In Singapore, the Group has been troubled by a lack of breakthroughs and high operating costs in recent years. To improve operating results, series of measures are being taken such as the opening of a number of shops that offer haute couture products. Besides enhancing our brand image, this will hopefully lead to a boost in business.

As for property investment, the Group will continue to enhance the leasing potential of the properties on hand for maintaining a steady growth in rental income. In Hong Kong, detailed planning for the revitalization of Goldlion Holdings Centre in Shatin will begin once relevant approval procedures are cleared. In Meizhou, the Group will commence works when appropriate based on the development plan.

FINANCIAL POSITION

As at 31st December 2015, cash and bank balances held by the Group amounted to approximately HK\$1,211,671,000, which was HK\$28,363,000 lower than the balance as at 31st December 2014 mainly due to the devaluation of RMB. During the year, the Group recorded a net cash inflow from operating activities of HK\$229,292,000 and received interest income of HK\$34,096,000. However, the Group also paid dividends of HK\$225,886,000, purchased fixed assets of HK\$18,208,000 and recorded decrease in cash and bank balances from foreign exchange rate changes of HK\$49,259,000. As at 31st December 2015, the Group did not have any bank loans or overdrafts.

The Group conducted the business mainly in the China Mainland market through its PRC subsidiaries. Most of the relevant transactions were denominated in RMB and transactions involving foreign currencies were minimal. These PRC subsidiaries paid dividends in RMB to the Hong Kong holding companies regularly which in turn placed them as bank deposits in Hong Kong. As at 31st December 2015, 72.6% and 25.6% of the Group's cash and bank balances were in RMB and Hong Kong dollar respectively, compared with those of 91.6% and 6.3% at the end of last year. During the year, the Group converted a part of its RMB bank deposits kept in Hong Kong into Hong Kong dollar to reduce the exchange risk resulting from the fluctuation of RMB.

As at 31st December 2015, the Group's current assets and current liabilities were HK\$1,672,031,000 and HK\$363,816,000 respectively, with a current ratio at 4.6. Total current liabilities were 10.1% of the average capital and reserves attributable to owners of the Company of HK\$3,596,618,000.

As at 31st December 2015, the Group did not have any material contingent liabilities or capital commitments and had not charged any of the Group's assets.

HUMAN RESOURCES

At 31st December 2015, the Group had approximately 1,790 employees. Staff costs including directors' emoluments of the year amounted to HK\$225,981,000. 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 MEMBERS

The Register of Members of the Company will be closed for the following periods:

- (a) For the purpose of determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting to be held on 20th May 2016 (the "2016 AGM"), the Register of Members of the Company will be closed from 18th May 2016 to 20th May 2016 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2016 AGM, all transfers accompanied by the relevant shares certificates must be lodged by 4:30 p.m. on Tuesday, 17th May 2016 with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (b) For the purpose of determining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed on 26th May 2016 and 27th May 2016 (two days), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend of the year, all transfers accompanied by the relevant shares certificates must be lodged by 4:30 p.m. on Wednesday, 25th May 2016 with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code 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") during the year except that Dr. Wong Ying Ho, Kennedy, a non-executive Director of the Company and resigned on 3rd August 2015, was unable to attend the annual general meeting of the Company held on 22nd May 2015 owing to an important engagement at the relevant time, which is not consistent with the requirements of Code Provision A.6.7.

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 year, 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. As at the date of this announcement, the Audit Committee has four members comprising Mr. Li Ka Fai, David (Chairman), Mr. Nguyen, Van Tu Peter (Deputy Chairman) and Dr. Lau Yue Sun, all of them being independent non-executive Directors, and Mr. Ng Ming Wah, Charles being a non-executive Director of the Company.

REVIEW OF FINANCIAL STATEMENTS

The Group's consolidated financial statements for the year ended 31st December 2015 have been reviewed by the Company's Audit Committee. Also, the figures in respect of this results announcement have been agreed by the Company's external auditors, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year ended 31st December 2015. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on this results announcement.

PUBLICATION OF DETAILED FINANCIAL AND RELATED INFORMATION ON THE WEBSITE OF THE COMPANY AND THE STOCK EXCHANGE

This announcement is published on the website of the Company (www.goldlion.com) and the Stock Exchange (www.hkexnews.hk). The Company's 2015 annual report, containing all the information required by Appendix 16 of the Listing Rules, will be dispatched 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, Mr. Li Ka Fai, David and Mr. Nguyen, Van Tu Peter as independent non-executive Directors.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 18th March 2016