股份代號：STOCK CODE:00533

GOLDLION
HOLDINGS LIMITED
金利來集團有限公司

2013 INTERIM REPORT

CHAIRMAN'S STATEMENT

OPERATING RESULTS

Turnover and gross profit

The Group recorded a turnover of HK$818,240,000 in the six months ended 30th June 2013, or a drop of 7%, over the same period last year. The drop in turnover was mainly due to the unsatisfactory performance of apparel sales in the China Mainland market. A drop of 10% in turnover was recorded over the same period last year, which was mainly attributable to the wholesale business to distributors. For other operations, including the apparel business in the Singapore and Malaysia markets, income from rental of properties, building management and licensing of brand name, the turnover were all higher than the same period last year.

Gross profit for the period was HK$474,446,000, representing a drop by 9% from HK$523,079,000 of the same period last year. Overall gross profit margin also decreased by 1.5 percentage points to 58%, mainly due to additional provision for increasing off-season stocks at the end of the period than that of last year.

Operating expenses and operating profit

In light of the market uncertainties, the Group has implemented stringent cost controls during the period. Selling and marketing costs for the period decreased by 4% to HK$157,815,000, representing 19% of the overall turnover, same as the same period last year.

Administrative expenses for the period were reduced by 25% to HK$92,868,000. Other than implementation of effective cost control measures, the drop was also related to the decrease in the annual bonus accrual after the retirement of a key management staff early this year.

During the period, the Group recorded other gains, net of HK$52,953,000 including fair value gains on investment properties of HK$53,016,000 and fair value loss on assets classified as held for sale of HK$63,000. Other gains for the same period last year represented fair value gains on investment properties of HK$69,406,000.

Operating profit for the period amounted to HK$276,716,000 compared with HK$305,299,000 of the same period last year, representing a drop of 9%. The operating profit margin was approximately 33.8% and was slightly lower than same period last year by 0.9 percentage point.

CHAIRMAN'S STATEMENT *(continued)*

OPERATING RESULTS (continued)

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the period was HK$225,908,000, decreasing by 10% from HK$249,982,000 of the same period last year. Profit for the period would be HK$176,361,000 if net fair value gains after tax on investment properties and assets classified as held for sale of HK$49,547,000 were excluded. Such profit dropped by 5% from HK$186,583,000 (if the fair value gains after tax on investment properties of HK$63,399,000 were excluded) of the same period last year.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

During the period under review, the overall economy of China Mainland remained weak. Sluggish retail market and gloomy consumer sentiment was resulted from the slowdown in GDP growth. Besides, the demand of mid to high-end consumer products was weakened by various campaigns pursued by the Central Government to curb extravagance. The operating environment was becoming more difficult and brought severe challenges to the mid to high-end wholesalers and retailers.

Our apparel operation in China Mainland is mainly conducted through wholesaling to distributors in various cities and provinces, as well as through self-operated retail shops (including factory outlets) mainly in Guangzhou, Shanghai and Beijing.

Sales to distributors dropped by about 18% in Renminbi ("RMB") during the period. In response to the unsatisfactory market conditions, distributors of the Group strengthened the efforts to clear the inventories on hand. The sales of new season products were slowed down without achieving the original sales target. In addition, longer repayment period from department stores also affected the operation of distributors. To ease the pressures of the distributors, the Group provided appropriate assistance and support to the distributors during the period. The Group also adopted a more flexible sales return measure to allow the distributors to return and exchange goods beyond the established goods return policy. Allowances for the return were recorded in this interim financial information.

Last year, the Group appointed a retailer to operate the "Gold Label" retail business in certain cities and provinces in China. However, serious market downturn held up the shop opening schedule of this retailer. In turn, the appointment for operating "Gold Label" retail business was terminated in the middle of the year. The Group took up the few "Gold Label" outlets for direct operation and the retailer returned the unsold goods to the Group. Allowances for the return were recorded in this interim financial information.

CHAIRMAN'S STATEMENT *(continued)*

***BUSINESS REVIEW** (continued)*

***Apparel Business** (continued)*

China Mainland and Hong Kong SAR Markets *(continued)*

During the period, the sales to distributors mainly covered products of the 2013 spring and summer collections. The total sales, excluding the impact from the above sales returns, were comparable to that for the corresponding period of last year.

Despite the difficult market conditions, sales of self-operated retail shops (excluding factory outlets) still recorded an increase of 4% in RMB during the period. Besides, due to the boosting measures, sales of factory outlets for the period also recorded a growth of about 9%.

At the end of the period, the Group had approximately 1,250 outlets in China Mainland, including approximately 82 self-operated outlets. The number of outlets was slightly lower than that of last year as the Group had reorganized some outlets with relatively unsatisfactory performance during the period. For better brand positioning, the Group also plans to further restructure the underperforming outlets.

During the period, the Group adjusted the structure of the apparel business in China Mainland and implemented stricter monitoring and control procedures. Some positions and job duties were clearly redefined and segregated. For key positions, qualified personnel were employed to enhance the competence and professionalism of the team. As such, the overall operation efficiency is expected to improve.

Licensing income for the period amounted to HK$34,054,000, representing an increase of around 9%, or around 5% in RMB, over the corresponding period of last year. The growth was mainly attributable to the annual increment of license fees stipulated in some of the licensing agreements. During the period, the Group continues to grant licenses for distribution of shoes, leather goods, undergarments, woolen sweaters and casual wear in the China Mainland market. The Group also strengthened supervision over licensees and provided appropriate support through the designated brand licensing department during the period. The effort is to make sure that they were in line with the brand development of the Group. To ensure healthy development of the brand, the Group will enhance the monitoring of the retail operations of licensees. In case the operations of licensees are not up to the Group's established standards, the Group will take appropriate actions to ensure that the brand is protected, including the possibility to terminate the relevant license.

CHAIRMAN'S STATEMENT *(continued)*

BUSINESS REVIEW *(continued)*

Apparel Business *(continued)*

Singapore and Malaysia Markets

During the period, the Singapore's economy was still exposed to the effects of the external environment, leading to slow economic growth. Weak consumer sentiment created pressure on the retail market. However, the Group's business in Singapore was not affected in the first half of 2013. During the period, the local sales amounted to HK$74,237,000, representing an increase of 5% as compared with the corresponding period of last year, or approximately 3% in local currency.

During the period, the increase in retail sales of the Group was attributable to both the longer peak season before the Chinese New Year as compared with last year and more joint promotion programs with other brands. Sales of comparable outlets increased by approximately 2% in local currency compared with the same period last year. At the end of the period, there were a total of 7 Goldlion shops and 22 counters, or one more counter over that at the end of last year.

During the period, the operating costs in Singapore such as rent and manpower costs keep soaring. Nevertheless, the overall expenditure remained comparable to that of the corresponding period of last year under vigorous cost control implemented by the Group. During the period, the operating profit in Singapore amounted to approximately HK$5,496,000, representing an increase of approximately 49% as compared with the corresponding period of last year. Operating profit margin was 7%, representing an increase from 5% for the same period last year.

The Group's business in the Malaysia market is relatively smaller in scale. Sales for the period amounted to HK$3,421,000, increasing by approximately 18% when compared with the corresponding period of last year. At the end of the period, the Group had a total of 21 counters in the local market. Operating profit in Malaysia for the period stood at approximately HK$423,000, representing a decrease of approximately 9% as compared with the same period last year.

Property Investment and Development

During the period, the investment property portfolio had no significant change as compared to the end of last year and the business remained stable. Fair value gains on investment properties recognized by the Group based on independent professional valuations amounted to HK$53,016,000. These included the gain of HK$39,330,000 from investment properties in Hong Kong, which largely reflected the satisfactory rental performance of the Hong Kong properties during the period. The fair value gains of the same period last year amounted to HK$69,406,000.

Rental income and building management fees for the period stood at HK$67,112,000 and HK$20,176,000, increasing by around 4% and 7% over the same period last year, respectively. In Tianhe, Guangzhou, leasing of the Goldlion Digital Network Centre remained stable. Occupancy of the building remained at approximately 92%. Rental income rose by approximately 5% over the corresponding period of last year as a result of overall upward adjustment in rentals.

CHAIRMAN'S STATEMENT *(continued)*

BUSINESS REVIEW *(continued)*

Property Investment and Development *(continued)*

Leasing of the Goldlion Commercial Building in Shenyang was likewise stable, with overall occupancy maintaining at 100%. Rental income and building management fee increased by approximately 4% compared with the corresponding period of last year.

Total rental income and property management fee of Hong Kong properties increased by approximately 6% over the corresponding period of last year, mainly due to the general upward adjustment of rentals in Hong Kong and full occupancy rate of the properties as at the end of the period. Among which, the Group's Goldlion Holdings Centre located in Shatin also recorded an increment of approximately 6%.

In respect of the property resettlement of the Group in Anhua Road in Changning, Shanghai, the Group had delivered Block Nos. 2, 3 and 4 of such property during the period and received compensation of RMB80,000,000 in aggregate which was recorded as an "other payables" item in the balance sheet at the end of the period. On the other hand, the tenant of Block No.9 of the property has not moved out and has illegally occupied the block upon the expiration of the lease. During the period, the Group commenced legal proceedings to evict the tenant. The relevant proceeding is still in progress and there are no further updates at this stage. As the property was not entirely delivered, the transaction has not been completed. The relevant gains on disposal of properties will be recognized upon completion of delivery and in accordance with relevant terms of the agreement.

PROSPECTS

Without seeing any signs of improvement of the China Mainland market in the short term, the Group expects that the domestic apparel business will still be difficult in the second half of 2013. Management will exercise prudence to minimize unfavorable impacts to the Group's business.

As a partner, the Group fully understands the challenges faced by the distributors in the market. Assisting the distributors to clear excessive inventories would be the Group's top priority in the coming twelve months. This includes revising the wholesales target to the distributors to ensure healthy and sustainable development of the business. The Group will also continue to keep close liaison with the distributors and further understand their business, including during the sales fair for the 2014 spring and summer collections to be held at the end of August. Besides, the Group will provide the distributors with appropriate support to ease their operational pressures and maintain the business growth.

Moreover, the Group will enhance the operating efficiency through restructuring the operation team in China Mainland. In respect of brand image, the Group has appointed a professional market research company to conduct a country-wide survey for brand positioning. The brand promotion strategy will be adjusted in accordance to the survey results. In respect of products, the Group will streamline the procurement process and enhance product design and quality so as to provide the best products to the market.

CHAIRMAN'S STATEMENT *(continued)*

PROSPECTS *(continued)*

Apart from the plan to strengthen the self-operated retail shops and factory outlets, the Group will also put the internet sales business into trial run in the second half of the year. This is an attempt to expand the sales channels and enhance the brand awareness of the products as well as to clear off-season stocks.

In view of the relatively small proportion of the "Gold Label" products to the Group's total sales, the Group will review the relevant operation and adjust the operation strategies accordingly.

In Singapore, the Group will maintain prudent operation strategies under the challenging market conditions to strive for business growth with better profitability by implementing effective operating cost control measures.

As for investment properties, the Group will continue to boost the leasing potential of the properties on hand for maintaining steady growth of rental income and identify properties with development potential. The Group will also endeavour to complete the resettlement of properties in Anhua Road in Changning, Shanghai, as soon as possible.

FINANCIAL POSITION

As at 30th June 2013, the Group had cash and bank balances of approximately HK$1,219,311,000, which was HK$154,050,000 higher than that at the end of last year. During the period, the Group recorded a net cash inflow from operating activities of HK$212,612,000 and gains from foreign exchange rate changes of HK$10,486,000. The Group also received interest income of HK$14,376,000 and compensation in relation to the surrender of property in Shanghai of HK$100,640,000, and paid dividends of HK$176,781,000 during the period. As at 30th June 2013, the Group did not have any bank loans or overdrafts.

As at 30th June 2013, the Group's current assets and liabilities were HK$1,734,438,000 and HK$533,934,000 respectively, with current ratio at approximately 3.2. Total current liabilities were 16% of the average capital and reserves attributable to owners of the parent of HK$3,278,204,000.

As at 30th June 2013, the Group did not have any significant contingent liabilities or capital commitment and there were no charges on any of the Group's assets.

ACKNOWLEDGEMENT

On behalf on the Board, I would like to extend my gratitude to our staff for their dedication and continuous support.

Dr. Tsang Hin Chi
Chairman

Hong Kong, 22nd August 2013

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

羅兵咸永道

TO THE BOARD OF DIRECTORS OF
GOLDLION HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION
We have reviewed the interim financial information set out on pages 8 to 26, which comprises the condensed consolidated balance sheet of Goldlion Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30th June 2013 and the related condensed consolidated income statement, the condensed consolidated statements of comprehensive income and changes in equity, and the condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW
We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION
Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 22nd August 2013

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2013 and 31st December 2012

	Note	Unaudited 30th June 2013 HK$'000	Audited 31st December 2012 HK$'000
ASSETS			
Non-current assets			
Land use rights	5	20,403	21,174
Property, plant and equipment	5	195,590	202,013
Investment properties	5	2,180,984	2,102,764
Deposits	7	14,226	12,265
Deferred income tax assets		52,384	40,855
		2,463,587	2,379,071
Current assets			
Completed properties held for sale		–	1,470
Inventories		254,811	376,900
Trade receivables	6	62,521	110,707
Prepayments, deposits and other receivables	7	136,640	71,744
Tax recoverable		–	1,466
Bank deposits		797,232	724,073
Cash and cash equivalents		422,079	341,188
		1,673,283	1,627,548
Assets classified as held for sale	8	61,155	60,342
		1,734,438	1,687,890
Total assets		4,198,025	4,066,961
EQUITY			
Capital and reserves attributable to owners of the parent			
Share capital	9	98,211	98,211
Reserves		3,131,833	2,962,982
Proposed dividend		88,390	176,781
Total equity		3,318,434	3,237,974
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		345,657	336,151
Current liabilities			
Trade payables	10	39,358	91,727
Other payables and accruals		472,775	385,353
Current income tax liabilities		21,801	15,756
		533,934	492,836
Total liabilities		879,591	828,987
Total equity and liabilities		4,198,025	4,066,961
Net current assets		1,200,504	1,195,054
Total assets less current liabilities		3,664,091	3,574,125

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2013

		Unaudited Six months ended 30th June 2013	30th June 2012
	Note	*HK$'000*	*HK$'000*
Turnover	*4*	818,240	878,903
Cost of sales	*12*	(343,794)	(355,824)
Gross profit		474,446	523,079
Other gains, net	*11*	52,953	69,406
Selling and marketing costs	*12*	(157,815)	(164,116)
Administrative expenses	*12*	(92,868)	(123,070)
Operating profit		276,716	305,299
Interest income		14,376	14,030
Profit before income tax		291,092	319,329
Income tax expense	*13*	(65,184)	(68,733)
Profit for the period		225,908	250,596
Profit attributable to:			
Owners of the parent		225,908	249,982
Non-controlling interests		–	614
		225,908	250,596
Earnings per share for profit attributable to owners of the parent during the period		*HK cents*	*HK cents*
– basic	*15*	23.00	25.45
– diluted	*15*	23.00	25.45

Details of dividends payable to owners of the parent attributable to the profit for the period are set out in note 14.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2013

	Unaudited Six months ended 30th June 2013	30th June 2012
	HK$'000	*HK$'000*
Profit for the period	225,908	250,596
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of overseas subsidiaries	31,333	18,307
Total comprehensive income for the period	257,241	268,903
Attributable to:		
Owners of the parent	257,241	268,289
Non-controlling interests	–	614
Total comprehensive income for the period	257,241	268,903

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2013

	Unaudited						
	Attributable to owners of the parent						
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st January 2012	98,211	1,002,662	353,298	1,490,217	2,944,388	1,311	2,945,699
Total comprehensive income for the period	–	–	18,307	249,982	268,289	614	268,903
Dividend relating to 2011	–	–	–	(166,959)	(166,959)	–	(166,959)
	–	–	18,307	83,023	101,330	614	101,944
Balance at 30th June 2012	98,211	1,002,662	371,605	1,573,240	3,045,718	1,925	3,047,643
Balance at 1st January 2013	98,211	1,002,662	408,579	1,728,522	3,237,974	–	3,237,974
Total comprehensive income for the period	–	–	31,333	225,908	257,241	–	257,241
Dividend relating to 2012	–	–	–	(176,781)	(176,781)	–	(176,781)
	–	–	31,333	49,127	80,460	–	80,460
Balance at 30th June 2013	98,211	1,002,662	439,912	1,777,649	3,318,434	–	3,318,434

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June 2013

	Unaudited Six months ended 30th June 2013	30th June 2012
	HK$'000	*HK$'000*
Cash flows from operating activities – net	212,612	236,434
Cash flows from investing activities – net	34,574	77,370
Cash flows from financing activities – net	(176,781)	(166,959)
Net increase in cash and cash equivalents	70,405	146,845
Cash and cash equivalents at the beginning of the period	341,188	354,539
Effect of foreign exchange rate changes	10,486	7,161
Cash and cash equivalents at the end of the period	422,079	508,545

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1. General information

Goldlion Holdings Limited (the "Company") and its subsidiaries (together the "Group") distribute and manufacture garments, leather goods and accessories, license the brand name, and hold and develop properties for investment and development purposes.

The Company is a limited liability company incorporated in Hong Kong. The address of its registered office is 7th floor, Goldlion Holdings Centre, 13-15 Yuen Shun Circuit, Siu Lek Yuen, Shatin, Hong Kong.

The Company is listed on The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated. This condensed consolidated interim financial information was approved for issue by the Board of Directors on 22nd August 2013.

This condensed consolidated interim financial information has not been audited.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30th June 2013 has been prepared in accordance with Hong Kong Accounting Standards ("HKAS") 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31st December 2012, which were prepared in accordance with Hong Kong Financial Reporting Standards.

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31st December 2012, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

3. *Accounting policies* *(continued)*

(a) New and amended standards adopted by the Group

The following new standard and amendment to standard are relevant to the Group and are mandatory for the first time for the financial year beginning on or after 1st January 2013.

HKAS 1 (Amendment)	Presentation of financial statements
HKFRS 10	Consolidated financial statements

This standard and the amendment to standard have not had any significant impact on the Group's condensed consolidated interim financial information for the six months ended 30th June 2013.

(b) Standards, amendments and interpretation to existing standard effective in 2013 but not relevant to the Group

HKFRSs (Amendment)	Annual improvements 2009-2011 cycle
HKAS 19 (Amendment)	Employee benefits
HKAS 27 (Revised)	Separate financial statements
HKAS 28 (Revised)	Investments in associates and joint ventures
HKFRS 1 (Amendment)	Government loans
HKFRS 7 (Amendment)	Financial instruments: Disclosures – Offsetting financial assets and financial liabilities
HKFRS 10, HKFRS 11 and HKFRS 12 (Amendments)	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 11	Joint arrangements
HKFRS 12	Disclosures of interests in other entities
HKFRS 13	Fair value measurement
HK(IFRIC) – Int 20	Stripping costs in the production phase of a surface mine

(c) The Group has not early adopted any new or amended standards or interpretations that are not yet effective for this interim period. The adoption of such standards and interpretations in future periods is not expected to result in a material impact to the Group.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

4. *Operating Segments*

	Six months ended 30th June 2013	30th June 2012
	HK$'000	*HK$'000*
Analysis of turnover		
Sales of goods	696,898	764,347
Gross rental income from investment properties	67,112	64,387
Building management income	20,176	18,808
Licensing income	34,054	31,361
	818,240	878,903

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.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different marketing strategies. The following summary describes the operations of each of the Group's reportable segments:

1) Apparel in China Mainland and Hong Kong SAR – Distribution and manufacturing of garments, leather goods and accessories and licensing of the brand name in China Mainland and Hong Kong SAR;

2) Apparel in Singapore and Malaysia – Distribution and manufacturing of garments, leather goods and accessories in Singapore and Malaysia;

3) Property investment and development – Investment in and development of properties in China Mainland and Hong Kong SAR.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

4. *Operating Segments* *(continued)*

An analysis of the Group's reportable segment profit before income tax and other selected financial information for the period by operating segment is as follows:

	Six months ended 30th June 2013				
	Apparel in China Mainland and Hong Kong SAR	**Apparel in Singapore and Malaysia**	**Property investment and development**	**Eliminations**	**Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	653,294	77,658	87,288	–	818,240
Inter-segment sales	–	–	3,367	(3,367)	–
	653,294	77,658	90,655	(3,367)	818,240
Segment results	201,108	5,919	104,319		311,346
Unallocated costs					(20,254)
Profit before income tax					291,092
Income tax expense					(65,184)
Profit for the period					225,908

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

4. *Operating Segments* *(continued)*

	Six months ended 30th June 2012				
	Apparel in China Mainland and Hong Kong SAR	**Apparel in Singapore and Malaysia**	**Property investment and development**	**Eliminations**	**Group**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	721,977	73,731	83,195	–	878,903
Inter-segment sales	–	–	3,384	(3,384)	–
	721,977	73,731	86,579	(3,384)	878,903
Segment results	214,859	4,160	121,728		340,747
Unallocated costs					(21,418)
Profit before income tax					319,329
Income tax expense					(68,733)
Profit for the period					250,596

Central costs (mainly costs of support functions that centrally provide services to all of the operating segments) are included as unallocated costs. Taxation charge is not allocated to reportable segments.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

5. *Capital expenditure*

	Land use rights	Property, plant and equipment	Investment properties	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Opening net book amount as at 1st January 2012	15,734	209,223	1,963,815	2,188,772
Additions	–	6,020	69	6,089
Disposals	(15)	(636)	–	(651)
Transfer	6,881	903	(7,109)	675
Amortization and depreciation *(note 12)*	(983)	(13,458)	–	(14,441)
Fair value gains *(note 11)*	–	–	69,406	69,406
Exchange differences	91	884	12,307	13,282
Closing net book amount as at 30th June 2012	21,708	202,936	2,038,488	2,263,132
Opening net book amount as at 1st January 2013	21,174	202,013	2,102,764	2,325,951
Additions	–	6,164	1,135	7,299
Disposals	–	(127)	–	(127)
Transfer	–	–	1,492	1,492
Amortization and depreciation *(note 12)*	(1,013)	(13,723)	–	(14,736)
Fair value gains *(note 11)*	–	–	53,016	53,016
Exchange differences	242	1,263	22,577	24,082
Closing net book amount as at 30th June 2013	20,403	195,590	2,180,984	2,396,977

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

6. *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 analysis of the trade receivables, net of provision, by age is as follows:

	As at 30th June 2013	**As at 31st December 2012**
	HK$'000	*HK$'000*
1-30 days	43,510	74,714
31-90 days	18,010	27,199
Over 90 days	1,001	8,794
	62,521	110,707

7. *Prepayments, deposits and other receivables*

	As at 30th June 2013	**As at 31st December 2012**
	HK$'000	*HK$'000*
Purchase deposits *(note (a))*	84,183	32,515
Deposits *(note (b))*	14,226	12,265
Prepayments	5,341	5,777
General deposits	6,085	4,978
Interest receivable	9,957	7,830
VAT recoverable	16,082	16,635
Others	14,992	4,009
Total of prepayments, deposits and other receivables	150,866	84,009
Less: non-current portion		
Deposits	(14,226)	(12,265)
Current portion	136,640	71,744

Note:

(a) Purchase deposits represent the amounts paid by the Group in advance to suppliers mainly for the apparel operation in its ordinary course of business.

(b) Deposits represent the amounts paid by the Group in relations to future acquisitions of land use rights, and property, plant and equipment.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

8. *Assets classified as held for sale*

The Group's interests in assets classified as held for sale are analyzed as follows:

	As at 30th June 2013	As at 31st December 2012
	HK$'000	*HK$'000*
Property, plant and equipment	1,236	1,219
Investment property	59,919	59,123
	61,155	60,342

On 19th December 2012, Goldlion (China) Limited, a wholly-owned subsidiary of the Company, entered into an agreement to surrender a property in Shanghai, the PRC, for compensation of RMB122,920,000 (equivalent to approximately HK$154,633,000).

9. *Share capital*

	As at 30th June 2013	As at 31st December 2012
	HK$'000	*HK$'000*
Authorized:		
1,200,000,000 (31st December 2012: 1,200,000,000) shares of HK$0.10 each	120,000	120,000
Issued and fully paid:		
982,114,035 (31st December 2012: 982,114,035) shares of HK$0.10 each	98,211	98,211

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

10. *Trade payables*

Trade payables are aged as follows:

	As at 30th June 2013	As at 31st December 2012
	HK$'000	*HK$'000*
1-30 days	33,281	75,607
31-90 days	4,669	7,212
Over 90 days	1,408	8,908
	39,358	91,727

11. *Other gains, net*

	Six months ended 30th June 2013	Six months ended 30th June 2012
	HK$'000	*HK$'000*
Fair value gains on investment properties *(note 5)*	53,016	69,406
Fair value loss on assets classified as held for sale	(63)	–
	52,953	69,406

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

12. *Expenses by nature*

	Six months ended 30th June 2013	Six months ended 30th June 2012
	HK$'000	*HK$'000*
Cost of inventories sold	301,566	342,654
Provision for/(reversal of) impairment for inventories	18,672	(8,933)
Direct operating expenses arising from investment properties that generated rental income	21,411	19,678
Amortization of land use rights *(note 5)*	1,013	983
Depreciation of property, plant and equipment *(note 5)*	13,723	13,458
Staff costs including directors' emoluments	107,708	126,068
Other expenses	130,384	149,102
	594,477	643,010
Representing:		
Cost of sales	343,794	355,824
Selling and marketing costs	157,815	164,116
Administrative expenses	92,868	123,070
	594,477	643,010

13. *Income tax expense*

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 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% (2012: 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.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

13. Income tax expense *(continued)*

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

	Six months ended 30th June 2013	Six months ended 30th June 2012
	HK$'000	*HK$'000*
Current tax		
– Hong Kong	380	564
– PRC enterprise income tax	70,024	68,308
– Overseas taxation	1,006	707
Deferred income tax	(6,226)	(846)
Total income tax expense	65,184	68,733

14. Dividend

	Six months ended 30th June 2013	Six months ended 30th June 2012
	HK$'000	*HK$'000*
Interim dividend of 9.0 HK cents (2012: 9.0 HK cents) per ordinary share	88,390	88,390

The final dividend for the year ended 31st December 2012 of 18.0 HK cents (2011 final: 17.0 HK cents) per ordinary share, totaling HK$176,781,000 was paid in June 2013 (2011 final: HK$166,959,000).

At a meeting held on 22nd August 2013, the Directors declared an interim dividend of 9.0 HK cents per share. This interim dividend has not been reflected as a dividend payable in the condensed interim financial information but will be reflected as an appropriation of retained earnings for the year ending 31st December 2013.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

15. *Earnings per share*

The calculation of earnings per share is based on profit attributable to owners of the parent of HK$225,908,000 (six months ended 30th June 2012: HK$249,982,000) and the number of ordinary shares in issue of 982,114,035 (six months ended 30th June 2012: 982,114,035) during the period.

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares in issue during the six months ended 30th June 2013 and 2012.

16. *Commitments*

(a) Capital commitments

	As at 30th June 2013	As at 31st December 2012
	HK$'000	*HK$'000*
Property, plant and equipment		
Contracted but not provided for	5,185	4,902

(b) At 30th June 2013, the Group had future aggregate minimum lease payments receivable and payable under non-cancellable operating leases as follows:

	As at 30th June 2013	As at 31st December 2012
	HK$'000	*HK$'000*
Rental receivables		
– not later than one year	118,266	123,896
– later than one year and not later than five years	104,106	111,805
– later than five years	3,775	8,781
	226,147	244,482
Rental payables		
– not later than one year	15,498	7,950
– later than one year and not later than five years	16,856	8,405
	32,354	16,355

Payment obligations in respect of operating leases on properties with rentals which vary with gross revenues are not included as future minimum lease payments.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

17. *Related party transactions*

The Company is controlled by the Tsang Family (comprising Dr. Tsang Hin Chi, Madam Wong Lei Kuan, Mr. Tsang Chi Ming, Ricky and other direct descendants of Dr. Tsang Hin Chi and Madam Wong Lei Kuan) which, together with 5.49% of the Company's issued shares held by Tsang Hin Chi Charities (Management) Limited, collectively controlled approximately 68.17% of the Company's issued shares at 30th June 2013. The remaining 31.83% of the Company's issued shares are widely held.

The following transactions were carried out with related parties:

		Note	Six months ended 30th June 2013 HK$'000	30th June 2012 HK$'000
(a)	Sales of services			
	Rental received from related companies	*(i)*	827	830
	Building management fees received from related companies	*(ii)*	328	279
(b)	Purchase of services			
	Professional fees paid to a related company	*(iii)*	160	160
(c)	Purchase of goods			
	Goods purchased from a related company	*(iv)*	–	1,463

Notes:

(i) Rental was received from Guangzhou World Trade Center Club Company Limited ('GWTCCL') for lease of a business center and facilities therein located at Goldlion Digital Network Centre in Guangzhou, and from China Hong Kong Digital Audiovisual Management Company Limited ('CHKDAM') for lease of a unit located at Goldlion Holdings Centre in Hong Kong. Rental was charged at rates based on the relevant lease agreements entered. Mr. Tsang Chi Hung has indirect beneficial interest in GWTCCL and CHKDAM as he is a major shareholder of the holding company of GWTCCL and CHKDAM. Dr. Tsang Hin Chi, Madam Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky are interested in this transaction as Mr. Tsang Chi Hung is a son of Dr. Tsang Hin Chi and Madam Wong Lei Kuan, and a brother of Mr. Tsang Chi Ming, Ricky.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(continued)

17. *Related party transactions* *(continued)*

Notes: (continued)

(ii) Building management fees were received under normal commercial terms from GWTCCL for the provision of building management services for a business center at Goldlion Digital Network Centre, and from CHKDAM for the provision of building management services for a unit located at Goldlion Holdings Centre in Hong Kong. Mr. Tsang Chi Hung has indirect beneficial interest in GWTCCL and CHKDAM as he is a major shareholder of the holding company of GWTCCL and CHKDAM. Dr. Tsang Hin Chi, Madam Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky are interested in these transactions as Mr. Tsang Chi Hung is a son of Dr. Tsang Hin Chi and Madam Wong Lei Kuan, and a brother of Mr. Tsang Chi Ming, Ricky.

(iii) Equitas Capital Limited acted as financial advisor to the Group during the period for which professional fee of HK$160,000 (six months ended 30th June 2012: HK$160,000) was paid by the Company. Mr. Ng Ming Wah, Charles, a non-executive Director of the Company, is the managing director and a principal shareholder of Equitas Capital Limited.

(iv) For the six months ended 30th June 2012, goods of HK$1,463,000 were purchased at market price from 3D-GOLD Jewellery Company Limited, which is a wholly-owned subsidiary of Hong Kong Resources Holdings Company Limited. Dr. Wong Ying Ho, Kennedy, a non-executive Director of the Company, is the chairman and an executive director and a substantial shareholder of Hong Kong Resources Holdings Company Limited.

(d) Period-end balances arising from purchase of services

	As at 30th June 2013	**As at 30th June 2012**
	HK$'000	*HK$'000*
Accruals		
– Equitas Capital Limited	160	160

(e) Key management compensation amounted to HK$23,812,000 for the six months ended 30th June 2013 (six months ended 30th June 2012: HK$52,709,000).

SUPPLEMENTARY INFORMATION

INTERIM DIVIDEND

The Directors have recommended the payment of an interim dividend of 9.0 HK cents per share (2012: 9.0 HK cents per share) for the year ending 31st December 2013, totaling HK$88,390,000 (2012: HK$88,390,000), which is expected to be payable on or about 24th September 2013 to shareholders whose names appear on the Register of Members as at 13th September 2013.

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 12th September 2013 and 13th September 2013 (two days), during which period no transfer of shares 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, 11th September 2013 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.

SUPPLEMENTARY INFORMATION *(continued)*

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

At 30th June 2013, the interests and short positions of each Director and Chief Executive in the shares, underlying shares and debentures of the Company and its associated companies (within the meaning of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required maintained by the Company under section 352 of Part XV of the SFO or as notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

Ordinary shares of HK$0.10 each in the Company at 30th June 2013

		Number of shares held				
Directors		**Personal interests**	**Family interests** *(note(a))*	**Other interests** *(note(b))*	**Total**	**Percentage to total issued share capital**
Tsang Hin Chi	Long positions	–	1,210,000	613,034,750	614,244,750	62.54%
	Short positions	–	–	–	–	–
Tsang Chi Ming, Ricky	Long positions	1,404,000	–	613,034,750	614,438,750	62.56%
	Short positions	–	–	–	–	–
Wong Lei Kuan	Long positions	1,210,000	–	613,034,750	614,244,750	62.54%
	Short positions	–	–	–	–	–
Ng Ming Wah, Charles	Long positions	1,800,000	–	–	1,800,000	0.18%
	Short positions	–	–	–	–	–

Notes:

(a) Madam Wong Lei Kuan is the spouse of Dr. Tsang Hin Chi. Her shareholding disclosed under the heading "Personal interests" in the above table is the family interest of Dr. Tsang Hin Chi.

(b) The shareholdings disclosed by Dr. Tsang Hin Chi, Mr. Tsang Chi Ming, Ricky and Madam Wong Lei Kuan under the heading "Other interests" in the above table refer to the same shares which were held by Hin Chi Family Management Limited (being trustee of the Tsang Hin Chi (2007) Family Settlement) as disclosed in the paragraph headed "Substantial shareholders" below.

SUPPLEMENTARY INFORMATION *(continued)*

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION (continued)

Save as disclosed above, as at 30th June 2013, none of the Directors and Chief Executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and its associated companies (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the six months ended 30th June 2013 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other than those interests and short positions disclosed above, the Directors and Chief Executives also hold shares of certain subsidiaries in trust for the Company solely for the purpose of ensuring that the relevant subsidiary has more than one member.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at 30th June 2013, the register of substantial shareholders maintained under section 336 of Part XV of the SFO shows that as at 30th June 2013, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Name of holder of securities	Type of securities		Number of shares held	Percentage to total issued share capital
Hin Chi Family Management Limited *(note)*	Ordinary shares of HK$0.10 each	Long positions	613,034,750	62.42%
		Short positions	–	–
Top Grade Holdings Limited *(note)*	Ordinary shares of HK$0.10 each	Long positions	613,034,750	62.42%
		Short positions	–	–
Silver Disk Limited *(note)*	Ordinary shares of HK$0.10 each	Long positions	160,616,000	16.35%
		Short positions	–	–
Tsang Hin Chi Charities (Management) Limited	Ordinary shares of HK$0.10 each	Long positions	53,880,750	5.49%
		Short positions	–	–

Note:

Hin Chi Family Management Limited as trustee of the Tsang Hin Chi (2007) Family Settlement, held all of the issued share capital of Top Grade Holdings Limited ("Top Grade"). Top Grade held 613,034,750 shares in the Company including 160,616,000 shares held by Silver Disk Limited, a wholly-owned subsidiary of Top Grade.

SUPPLEMENTARY INFORMATION *(continued)*

CORPORATE GOVERNANCE

The Company has complied with the Code Provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules for the six months ended 30th June 2013 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 as set out in Appendix 10 of the Listing Rules. During the six months ended 30th June 2013, 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.

The Board announces that Mr. Nguyen, Van Tu Peter, an independent non-executive Director, has been appointed as the Deputy Chairman of the Audit Committee in place of Dr. Wong Ying Ho, Kennedy with effect from 22nd August 2013. Dr. Wong Ying Ho, Kennedy will remain as a member of the Audit Committee.

As at the date of this report, the Audit Committee has five 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 and Dr. Wong Ying Ho, Kennedy, being non-executive Directors 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 2013. 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.

BOARD OF DIRECTORS

As at the date of this report, 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 and Dr. Wong Ying Ho, Kennedy as non-executive Directors; and Dr. Lau Yue Sun, Mr. Li Ka Fai, David and Mr. Nguyen, Van Tu Peter as independent non-executive Directors.

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