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GOLDLION HOLDINGS LIMITED

金利來集團有限公司

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

(Stock code: 00533)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH JUNE 2024**

RESULTS

The Board of Directors (the “Board”) announces the unaudited condensed consolidated interim results of Goldlion Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the six months ended 30th June 2024 as follows:

**Condensed Consolidated Interim Income Statement
For the six months ended 30th June 2024**

		Unaudited Six months ended	
	Note	30.6.2024	30.6.2023
		HK\$'000	HK\$'000
Turnover	2	603,261	661,236
Cost of sales	4	(241,390)	(272,109)
Gross profit		361,871	389,127
Other losses	3	(19,818)	(22,856)
Selling and marketing costs	4	(207,764)	(207,278)
Administrative expenses	4	(78,365)	(81,124)
Operating profit		55,924	77,869
Interest income		13,100	13,206
Interest expense		(885)	(787)
Profit before income tax		68,139	90,288
Income tax expense	5	(9,899)	(11,680)
Profit for the period		58,240	78,608
Attributable to:			
Owners of the Company		58,233	78,608
Non-controlling interests		7	-
Profit for the period		58,240	78,608
Earnings per share attributable to owners of the company		<i>HK cents</i>	<i>HK cents</i>
- Basic and diluted	6	5.98	8.03

Condensed Consolidated Interim Statement of Comprehensive Income
For the six months ended 30th June 2024

	Unaudited	
	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
Profit for the period	<u>58,240</u>	<u>78,608</u>
Other comprehensive income		
<i>Item that will not be reclassified subsequently to profit or loss</i>		
Revaluation of property, plant and equipment upon reclassification to investment property	7,541	875
Income tax relating to these items	(105)	(219)
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences on translation of financial statements of overseas subsidiaries	(74,436)	(72,717)
Other comprehensive income for the period	<u>(67,000)</u>	<u>(72,061)</u>
Total comprehensive income for the period	<u>(8,760)</u>	<u>6,547</u>
Attributable to:		
Owners of the Company	(8,767)	6,547
Non-controlling interests	7	-
Total comprehensive income for the period	<u>(8,760)</u>	<u>6,547</u>

Condensed Consolidated Interim Balance Sheet
As at 30th June 2024

		As at 30.6.2024 (Unaudited) HK\$'000	As at 31.12.2023 (Audited) HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		189,749	181,107
Right-of-use assets		80,240	92,222
Investment properties		2,641,849	2,686,658
Deferred income tax assets		52,417	55,873
		<u>2,964,255</u>	<u>3,015,860</u>
Current assets			
Property under development		153,447	103,214
Completed properties		612,830	651,481
Inventories		177,835	201,634
Trade receivables	8	61,328	99,729
Prepayments, deposits and other receivables		61,705	60,971
Contract assets		49,954	52,506
Tax recoverable		3,550	7,560
Restricted cash		1,314	10,208
Bank deposits		799,642	721,494
Cash and cash equivalents		275,315	357,099
		<u>2,196,920</u>	<u>2,265,896</u>
Total assets		<u>5,161,175</u>	<u>5,281,756</u>
EQUITY			
Capital and reserves			
Share capital		1,092,060	1,092,060
Reserves		3,264,983	3,312,704
Owners of the Company		<u>4,357,043</u>	<u>4,404,764</u>
Non-controlling interests		2,147	-
Total equity		<u>4,359,190</u>	<u>4,404,764</u>
LIABILITIES			
Non-current liabilities			
Other payables and accruals		27,883	30,995
Lease liabilities		15,463	22,829
Deferred income tax liabilities		362,312	375,325
		<u>405,658</u>	<u>429,149</u>
Current liabilities			
Trade payables	9	21,553	34,605
Other payables and accruals		154,656	172,470
Contract liabilities		191,294	211,129
Lease liabilities		21,825	21,432
Current income tax liabilities		6,999	8,207
		<u>396,327</u>	<u>447,843</u>
Total liabilities		<u>801,985</u>	<u>876,992</u>
Total equity and liabilities		<u>5,161,175</u>	<u>5,281,756</u>

Notes:

1. Principal accounting policies

This condensed consolidated interim financial information for the six months ended 30th June 2024 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 2023, which were prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The financial information relating to the year ended 31st December 2023 that is included in this preliminary announcement of interim results for the six months ended 30th June 2024 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year 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 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor has reported on those financial statements for the year ended 31st December 2023. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

The accounting policies applied by the Group are consistent with those of the annual financial statements for the year ended 31st December 2023, as described in those annual financial statements.

- (a) The amended standards and new interpretation effective in 2024 but not relevant to the Group

HKAS 1 (Amendments)	Classification of liabilities as current or non-current
HKAS 1 (Amendments)	Non-current liabilities with covenants
HKAS 7 and HKFRS 7 (Amendments)	Supplier finance arrangements
HKFRS 16 (Amendments)	Lease liability in a sale and leaseback
HK (IFRIC) – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The above amended standards and new interpretation did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

1. Principal accounting policies (*continued*)

- (b) The following new and amended standards have been issued but are not effective for the financial year beginning on 1st January 2024 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 21 (Amendments)	Lack of exchangeability	1st January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Classification and measurement of financial instruments	1st January 2026
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Not yet established
HKFRS 18	Presentation and disclosure in financial statements	1st January 2027
HKFRS 19	Subsidiaries without public accountability: Disclosures	1st January 2027

The above new and amended standards are not expected to have a material impact on the condensed consolidated financial statements of the Group.

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:

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
Revenue recognized under HKFRS 15		
Sales of goods	439,332	481,238
Sales of properties	28,334	43,046
Building management fees	20,560	20,737
Licensing income	40,356	38,891
Sales of electricity	380	-
	<u>528,962</u>	<u>583,912</u>
Revenue recognized under other accounting standards		
Rental income from investment properties	<u>74,299</u>	<u>77,324</u>
	<u>603,261</u>	<u>661,236</u>
Timing of revenue recognition under HKFRS 15		
At a point in time	467,666	524,284
Over time	<u>61,296</u>	<u>59,628</u>
	<u>528,962</u>	<u>583,912</u>

2. Turnover and segment information (*continued*)

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

	Six months ended		Six months ended	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	Segment turnover	Segment turnover	Segment results	Segment results
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Operating segments				
Apparel in China Mainland and Hong Kong SAR	461,487	502,618	46,904	63,258
Apparel in Singapore	18,535	17,703	(2,337)	(1,482)
Property investment and development	129,043	146,408	41,185	44,904
Other and Inter-segment sales	(5,804)	(5,493)	14	-
	<u>603,261</u>	<u>661,236</u>	<u>85,766</u>	<u>106,680</u>
Unallocated costs			<u>(17,627)</u>	<u>(16,392)</u>
Profit before income tax			68,139	90,288
Income tax expense			<u>(9,899)</u>	<u>(11,680)</u>
Profit for the period			<u>58,240</u>	<u>78,608</u>

3. Other losses

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
Fair value losses on investment properties	19,818	22,856

4. Expenses by nature

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
Cost of inventories sold	189,561	218,044
Cost of properties sold	21,079	31,030
Provision for impairment of inventories	12,350	4,441
Direct operating expenses arising from investment properties that generated rental income	17,596	18,209
Expenses relating to short-term leases and variable lease payments	42,036	42,818
Depreciation of property, plant and equipment	14,646	12,836
Depreciation of right-of-use assets	10,528	8,699
Impairment of right-of-use assets	2,245	127
Impairment of property, plant and equipment	227	-
Reversal of provision for impairment of trade receivables, net	(10)	(737)
Staff costs including directors' emoluments	111,862	111,546
Advertising and promotion expenses	38,424	46,514
Other expenses	66,975	66,984
	527,519	560,511
Representing:		
Cost of sales	241,390	272,109
Selling and marketing costs	207,764	207,278
Administrative expenses	78,365	81,124
	527,519	560,511

5. Income tax expense

Hong Kong profits tax has not been provided for as the Group's estimated assessable profit for the period are set off by tax loss carried forward from prior years (2023: same).

Taxation on profits generated in the PRC has been calculated on the estimated assessable profit for the period at the rate of 25% (2023: 25%). For subsidiaries that qualify for the inclusive tax reduction policy for small and micro enterprises, in accordance with the existing policy of the PRC, taxation on profits generated in the PRC has been calculated at a preferential rate of 5% (2023: 5%). 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	
	30.6.2024 HK\$'000	30.6.2023 HK\$'000
Current tax		
- PRC enterprise income tax	10,882	12,257
Deferred income tax	(983)	(577)
Total income tax expense	<u>9,899</u>	<u>11,680</u>

6. Earnings per share

The calculation of earnings per share is based on profit attributable to owners of the Company of HK\$58,233,000 (six months ended 30th June 2023: HK\$78,608,000) and the number of ordinary shares in issue of 973,844,035 (six months ended 30th June 2023: 978,436,035) 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 2024 and 2023.

7. Dividend

	Six months ended	
	30.6.2024 HK\$'000	30.6.2023 HK\$'000
Interim dividend of 2.0 HK cents (2023: 3.5 HK cents) per ordinary share	<u>19,477</u>	<u>34,245</u>

8. Trade receivables

The Group's sales are on cash on delivery or credit terms ranging from 30 days to 180 days after delivery. The ageing of the trade receivables based on invoice date is as follows:

	As at 30.6.2024 HK\$'000	As at 31.12.2023 HK\$'000
1-30 days	42,719	83,504
31-90 days	12,285	12,850
Over 90 days	7,387	4,454
Trade receivables	62,391	100,808
Less: provision for impairment of trade receivables	(1,063)	(1,079)
Trade receivables - net	61,328	99,729

9. Trade payables

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

	As at 30.6.2024 HK\$'000	As at 31.12.2023 HK\$'000
1-30 days	15,920	29,351
31-90 days	4,258	3,654
Over 90 days	1,375	1,600
	21,553	34,605

INTERIM DIVIDEND

The Directors have recommended the payment of an interim dividend of 2.0 HK cents per share (2023: 3.5 HK cents per share) for the year ending 31st December 2024, totalling HK\$19,477,000 (2023: HK\$34,245,000), which is expected to be payable on or about 17th September 2024 to shareholders whose names appear on the Register of Members as at 6th September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

Turnover

The Group recorded a total turnover HK\$603,261,000 during the period under review, representing a decrease of 9% from HK\$661,236,000 of the corresponding period last year, which was mainly due to the decrease in apparel sales in China Mainland.

Cost of sales and gross profit

Cost of sales for the period was HK\$241,390,000, mainly including cost of inventories sold of our apparel operation of HK\$189,561,000, provision for impairment of inventories of HK\$12,350,000, cost of properties sold of HK\$21,079,000 and direct operating expenses arising from investment properties of HK\$17,596,000.

During the period, the cost of inventories sold of our apparel operation was HK\$189,561,000, representing a decrease of 13% from HK\$218,044,000 of the same period last year. Gross profit margin excluding the effect of impairment of inventories was 56.9%, which was higher than the margin of 54.7% for the corresponding period last year. Proportion of the sales from self-operated retail sales with higher gross profit margin was higher than last year. With a higher inventory level during the period, the Group recorded a provision for impairment of inventories of HK\$12,350,000 which was higher than the amount of HK\$4,441,000 of the same period last year.

Due to the decrease in income from property sales, cost of properties sold amounting to HK\$21,079,000 of the period was 32% lower than the same period last year. Gross profit margin from property sales was 25.6%, slightly lower than 27.9% of last year.

The direct operating expenses arising from investment properties for the period was HK\$17,596,000, representing a decrease of approximately 3% when compared with HK\$18,209,000 of the same period last year. The rate of decrease is in line with the decrease in total rental income and building management fees during the period.

Other losses

During the period, the Group recorded fair value losses on investment properties of HK\$19,818,000, representing a decrease of 13% when compared with the losses of HK\$22,856,000 of the same period last year.

Operating expenses

Selling and marketing costs mainly consist of manpower costs for sales staff, rental expenses of the sales outlets, operating costs for e-commerce sales platforms, advertising and promotion, and relevant marketing expenses and tax fees relating to the Meixian property development project. The Group recorded selling and marketing costs of HK\$207,764,000 for the period and was in line with the amount of HK\$207,278,000 of the same period last year.

Administrative expenses mainly consist of manpower costs for non-sales staff, depreciation and amortization charges and other miscellaneous expenses. The Group recorded administrative expenses of HK\$78,365,000 for the period, lower than the amount of HK\$81,124,000 of the same period last year by 3%.

Operating profit

Operating profit for the period amounted to HK\$55,924,000, a decrease of approximately 28% from HK\$77,869,000 of the same period last year. The operating profit margin of 9.3% was lower than the margin of 11.8% of the same period last year.

Profit attributable to owners of the Company

The Group recorded a net interest income of HK\$12,215,000 for the period and was in line with the same period last year's HK\$12,419,000.

After accounting for the reversal of tax for fair value losses on investment properties amounting to HK\$4,573,000 (HK\$8,553,000 for the corresponding period last year), the income tax expense for the period was HK\$9,899,000 and was lower than the amount of HK\$11,680,000 of the same period last year. Effective tax rate excluding fair value losses on investment properties and the related tax effect was 16.5% and was also lower than the corresponding period last year's 17.9%.

The Group's profit attributable to owners of the Company for the period was HK\$58,233,000, decreased by approximately 26% from HK\$78,608,000 of the same period last year. Profit for the period would be HK\$73,478,000 if the net fair value losses after tax on investment properties of HK\$15,245,000 (HK\$14,303,000 for the corresponding period last year) were excluded, and was approximately 21% lower than the amount of HK\$92,911,000 of the same period last year.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

As anticipated in the annual results announcement published in March this year, the economic downturn in China Mainland continued during the first half of the year. Due to the combined impact of declining consumption, real estate crisis and unfavorable external factors, the operating environment was extremely tough. The overall turnover of the apparel business in China Mainland for the period amounted to HK\$420,797,000, decreased by approximately 9% from the corresponding period last year, representing a decrease of 8% in RMB.

In China Mainland, the Group has continued to conduct its apparel operation through wholesaling to distributors in various cities and provinces, primarily through self-operated retail shops and factory outlets located mainly in Guangzhou, Shanghai, Beijing, Chongqing, Liaoning, Jilin and Shandong, as well as through e-commerce and custom-ordering.

During the period, our wholesaling business focused on the supply of our 2024 spring and summer products to distributors. Orders for related products were placed by distributors in August last year and decreased as compared with previous year. Together with the increased rate of returns and exchanges offered to distributors, the sales to distributors in RMB decreased by approximately 25%. During the period, the sales of this business accounted for approximately 29% of the Group's apparel sales in China Mainland.

During the period, as the domestic retail market remained quiet and consumption sentiment slumped, along with the higher base of comparison stimulated by recovery of the consumer market after the epidemic in the first half of last year, sales from self-operated retail shops decreased by approximately 3% in RMB from the corresponding period last year. Sales in major operating regions declined compared with last year. During the period, the sales from this business accounted for approximately 19% of the Group's apparel sales in China Mainland.

Due to the increased number of shops, the sales from the Group's factory outlets increased by approximately 3% in RMB compared with the corresponding period last year. However, excluding the effect of new stores, the same-store sales declined by approximately 5%.

At the end of the period, the Group's apparel products were sold through approximately 810 retail outlets in China Mainland, among which 132 were self-operated (including 37 factory outlets and 3 "Goldlion 3388" lifestyle stores). During the period, the Group continued to operate 3 "Goldlion 3388" lifestyle stores in Shanghai and Guangzhou to promote the brand culture of "Goldlion". During the period, operating loss of this operation after various expenses and provisions amounted to HK\$8,931,000.

The e-commerce business of the Group was also affected by the market downturn during the period. Sales in RMB were on similar level as the corresponding period last year. During the period, the sales were mainly generated from special products with only a small proportion from non-special products. During the period, the sales accounted for approximately 30% of the Group's apparel sales in China Mainland.

Due to the increase of orders and a lower base of comparison last year, sales of custom-made corporate uniforms registered a year-on-year increase of approximately 80% in RMB. However, such business accounts for a small proportion of the Group's domestic apparel sales.

During the period under review, the Group continued to grant licenses for distribution of shoes, leather goods, undergarments and casual wear in China Mainland. Licensing fees were charged in accordance with the terms in the relevant licensing agreements during the period. The Group recorded a licensing income of HK\$40,356,000 during the period, representing an increase of approximately 4% from the corresponding period last year.

Singapore Markets

The Group's Singapore business was also affected by the sluggish external economic environment and the slowdown in local retail market, resulting in lower-than-expected performance. During the period, the apparel business recorded sales amounted to HK\$18,535,000, representing an increase of 5% as compared with HK\$17,703,000 of the corresponding period last year. However, excluding the effect of new stores, same-store sales decreased by 2%.

Since the opening of two new shops in the second half of last year, the Group currently operates a total of 5 Goldlion shops and 6 counters in Singapore.

Since bigger discounts were offered to stimulate sales during the period, gross profit margin excluding the effect of impairment of inventories was 54%, which was slightly lower than 55% of last year. The provision for impairment of inventories during the period amounted to HK\$236,000, which was lower than HK\$1,218,000 of last year.

Due to the effect of the provision for new store leases and impairment of decoration amounted to HK\$1,115,000, the Group's Singapore business recorded a loss of HK\$2,337,000 during the period, higher than the loss of HK\$1,482,000 last year.

Property Investment and Development

The Group's investment property portfolio had no significant changes during the period when compared with the end of last year. The value of such properties after independent professional valuation amounted to approximately HK\$2,641,849,000 at the end of the period, of which property holdings in China Mainland, Hong Kong and Singapore were approximately HK\$1,403,487,000, HK\$1,181,000,000 and HK\$57,362,000 respectively. Due to the decreases in valuation amounts and RMB exchange rate, total value of investment properties in Hong Kong dollar was lower than the amount of HK\$2,686,658,000 at the end of last year. The Group's fair

value losses on investment properties as based on the same independent valuation amounted to HK\$19,818,000, whereas the fair value losses were HK\$22,856,000 for the corresponding period last year. The losses during the period were mainly derived from the property holdings in China Mainland, especially the Goldlion Digital Network Centre in Guangzhou, while the fair value for properties in Hong Kong also decreased slightly. During the period, the Group's rental income and building management fees amounted to HK\$74,299,000 and HK\$20,560,000, respectively, the total of which represented a decrease of approximately 3% over last year. The decrease was mainly due to the increase in vacant units.

During the period, demand for office space was low in China Mainland. In Guangzhou, the leasing of Goldlion Digital Network Centre is yet to be improved. Rental income and building management fees in RMB were approximately 4% lower than that of last year. The overall occupancy rate was approximately 81%, which was lower than the 83% of last year. During the period, as the premises in Yuan Village in Guangzhou continued to completely lease out, rental income and building management fees increased by approximately 3% in RMB.

In Shenyang, leasing of Goldlion Commercial Building remained stable. Total rental income and building management fees in RMB increased by 8% from last year.

Due to the vacancy of certain units since the second half of last year, the overall rental income and building management fees generated from the Group's Goldlion Holdings Centre in Shatin decreased by approximately 9% during the period as compared with last year, with an occupancy rate of approximately 89%. Besides, the property at No. 3 Yuk Yat Street, To Kwa Wan had been fully leased out, resulting in an increase of approximately 4% in overall income from last year.

The Group's property development project "Goldlion Garden" in Meixian including high-rise buildings with an aggregate of 976 residential units was fully completed at the end of last year. As of the end of the period, there were approximately 668 units to be sold. Under the stagnant property market with extremely sluggish sales in China Mainland, the Group only recognized income from property sales of HK\$28,334,000 and gross profit of HK\$7,255,000 during the period. In addition, 47 low-rise units of the project are expected to be completed successively in the second half of the year.

The Group established a new energy company engaging in photovoltaic business in China Mainland last year. In the first half of the year, the company has completed investment project with approximately HK\$9,071,000. However, given the short time span, the company only recorded electricity sales income of HK\$380,000 and a slight profit during the period.

PROSPECTS

The Group expects that the macroeconomic environment in China Mainland is still volatile and various complex factors continue to disrupt the market, resulting in weak consumer confidence and market momentum, which are unlikely to improve in near future. The operating prospects in the second half of 2024 remain challenging.

The Group will continue to improve product quality, strengthen self-operated retailing capabilities and optimize various sales channels including distributors in respect of the apparel business in China Mainland. On the sales fair of 2025 spring and summer collections held in the end of August 2024, initial response was below expectation and it is expected that the orders will be delivered to distributors in the first half of 2025. The Group will also continue to promote its brand concept, including building a brand museum located in Meizhou. In addition, the Group will continue to improve the operation of the apparel business in Singapore and enhance its sales network to ensure a sustainable growth of business.

In respect of property investment business, the Group will continue to improve the leasing of Goldlion Digital Network Centre and other properties by reducing its vacancies, as well as to sell the remaining units of “Goldlion Garden” in Meixian based on the actual market conditions.

FINANCIAL POSITION

As at 30th June 2024, the Group had cash and bank balances (including restricted cash of HK\$1,314,000) of approximately HK\$1,076,271,000, which was HK\$12,530,000 lower than that at the end of last year. During the period, the Group recorded a net cash inflow from operating activities of HK\$77,377,000 and received interest income of HK\$14,891,000. However, the Group also paid dividends of HK\$38,954,000, increased fixed assets of HK\$31,708,000 and paid principal elements of lease payments of HK\$10,798,000. Besides, changes in foreign exchange rate during the period resulted in a decrease in cash and bank balances of HK\$25,593,000.

As at 30th June 2024, the Group did not have any bank loans or overdrafts. The gearing ratio, defined as the ratio of total lease liabilities less cash and bank balances divided by total equity, was zero.

As at 30th June 2024, the Group’s current assets and liabilities were HK\$2,196,920,000 and HK\$396,327,000 respectively, with a current ratio at 5.5. Total current liabilities were 9% of the average capital and reserves attributable to owners of the Company of HK\$4,380,904,000.

As at 30th June 2024, the Group did not have any material contingent liabilities and had not charged any of the Group’s assets. For the “Goldlion Garden” project in Meixian, the total property development expenditure authorized but not contracted for and contracted but not provided for were HK\$18,000,000 and HK\$33,760,000 respectively.

As at 30th June 2024, the Group had guarantees in respect of mortgage facilities for certain property buyers amounting to HK\$14,652,000. Pursuant to the terms of the guarantees, upon default in mortgage payments by these buyers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted buyers to the banks and the Group is entitled to retain the legal title and take over the possession of the related properties. The above guarantees are to be discharged upon the earlier of (i) the banks received the corresponding real estate ownership certificates as custody; or (ii) the satisfaction of mortgaged loans by the property buyers. The Board considers that in case of default in payments, the net realizable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the guarantees.

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. Foreign currency exposure did not pose a significant risk for the Group, but we will remain vigilant and closely monitor our exposure to movements in relevant currencies.

HUMAN RESOURCES

At 30th June 2024, the Group had approximately 1,740 employees. Staff costs including directors’ emoluments amounted to HK\$111,862,000 for the six months ended 30th June 2024. The Group ensures that employees’ remuneration packages are competitive and are determined mainly on factors including job nature, market conditions and 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

For the purpose of determining shareholders' entitlement to the proposed dividend, the Register of Members of the Company will be closed on 5th September 2024 and 6th September 2024 (two days), during which period no transfer of shares will be registered.

In order to qualify for the above-mentioned interim dividend, all transfers accompanied by the relevant share certificates must be lodged by 4:30 p.m. on Wednesday, 4th September 2024 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 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 the Corporate Governance Code as set out in Appendix C1 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 2024. In respect of Code Provision C.2.1, the positions of the Chairman of the Board and the Chief Executive Officer are held by the same individual, namely, Mr. Tsang Chi Ming, Ricky. The Board believes that holding the positions of both Chairman and Chief Executive Officer by Mr. Tsang Chi Ming, Ricky provides the Group with more effective planning and execution of long-term business strategies and enhances efficiency in decision-making. The Board also believes that an effective corporate governance structure of the Group has been in place to ensure an appropriate monitoring of management.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. During the six months ended 30th June 2024, 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, risk management 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), Dr. Lau Yue Sun and Ms. Lo Wing Sze, 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 INFORMATION

The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended 30th June 2024. At the request of the Board of Directors, the Company's external auditor, PricewaterhouseCoopers, has 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) and the Stock Exchange (www.hkexnews.hk). The 2024 interim report, containing all the information required by Appendix D2 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 Mr. Tsang Chi Ming, Ricky as an executive Director; Mr. Ng Ming Wah, Charles as a non-executive Director; and Dr. Lau Yue Sun, Mr. Li Ka Fai and Ms. Lo Wing Sze as independent non-executive Directors.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 15th August 2024