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 2014

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 2014 together with the comparative figures for the previous year as follows:

Consolidated Income Statement
For the year ended 31st December 2014

	Note	**2014** HK$'000	**2013** HK$'000
Turnover	2	1,541,224	1,875,490
Cost of sales	4	(682,610)	(861,684)
Gross profit		858,614	1,013,806
Other gains	3	198,513	87,351
Selling and marketing costs	4	(356,038)	(403,726)
Administrative expenses	4	(200,049)	(194,388)
Operating profit		501,040	503,043
Interest income		31,606	30,751
Profit before income tax		532,646	533,794
Income tax expense	5	(111,604)	(119,215)
Profit for the year attributable to owners of the parent		421,042	414,579
		HK cents	*HK cents*
Earnings per share for profit attributable to owners of the parent during the year			
- Basic and diluted	6	42.87	42.21

Details of dividends payable to owners of the parent attributable to the profit for the year are set out in note 7.

Consolidated Statement of Comprehensive Income
For the year ended 31st December 2014

	2014 HK$'000	2013 HK$'000
Profit for the year	421,042	414,579
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Revaluation of investment property upon reclassification from land use rights, and property, plant and equipment	7	-
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of overseas subsidiaries	(30,575)	52,129
Other comprehensive income for the year	(30,568)	52,129
Total comprehensive income for the year attributable to owners of the parent	390,474	466,708

Consolidated Balance Sheet
As at 31st December 2014

	Note	31.12.2014 HK$'000	31.12.2013 HK$'000
ASSETS			
Non-current assets			
Land use rights		29,026	32,488
Property, plant and equipment		208,832	240,066
Investment properties		2,317,794	2,194,161
Deferred income tax assets		77,175	68,048
		2,632,827	2,534,763
Current assets			
Inventories		245,580	237,839
Trade receivables	8	103,654	119,338
Prepayments, deposits and other receivables		178,648	163,377
Bank deposits		882,383	855,100
Cash and cash equivalents		357,651	440,586
		1,767,916	1,816,240
Assets classified as held for sale		-	61,802
		1,767,916	1,878,042
Total assets		**4,400,743**	**4,412,805**
EQUITY			
Capital and reserves attributable to owners of the parent			
Share capital: nominal value		-	98,211
Other statutory capital reserves		-	1,003,147
Share capital and other statutory capital reserves		1,101,358	1,101,358
Other reserves		2,316,139	2,161,372
Proposed final dividend		157,138	176,781
Total equity		3,574,635	3,439,511
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		377,745	363,319
Current liabilities			
Trade payables	9	51,405	69,631
Other payables and accruals		360,484	510,271
Current income tax liabilities		36,474	30,073
		448,363	609,975
Total liabilities		826,108	973,294
Total equity and liabilities		**4,400,743**	**4,412,805**
Net current assets		1,319,553	1,268,067
Total assets less current liabilities		3,952,380	3,802,830

Notes:

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with 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 and assets classified as held for sale.

In accordance with the transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit" as set out in sections 76 to 87 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), the consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

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 amended standards are mandatory for the first financial year beginning on or after 1st January 2014.

Amendment to HKAS 32, "Financial instruments: Presentation", on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment has not had a significant impact on the Group's consolidated financial statements.

Amendment to HKAS 36, "Impairment of assets", on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash-generating units which had been included in HKAS 36 by the issue of HKFRS 13. It also enhanced the disclosures of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment has not had a significant impact on the Group's consolidated financial statements.

(b) The following amended standards and interpretation have been published and are mandatory for the Group's accounting periods beginning on or after 1st January 2014, but are not currently relevant to the Group

HKAS 39 (Amendment)	Financial instruments: Recognition and measurement – Novation of derivatives
HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment entities
HK(IFRIC) – Int 21	Levies

(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 as from the Company's first financial year commencing on or after 3rd March 2014 in accordance with section 358 of that Ordinance, i.e. for the year ending 31st December 2015. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

(d) The following new and amended standards have been issued but are not effective for the financial year beginning 1st January 2014 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 19 (Amendment)	Employee benefits	1st July 2014
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	1st January 2016
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 2017
HKFRSs (Amendment)	Annual improvements 2012 cycle	1st July 2014
HKFRSs (Amendment)	Annual improvements 2013 cycle	1st July 2014
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:

	2014 HK$'000	2013 HK$'000
Sales of goods	1,259,110	1,610,647
Gross rental income from investment properties	150,055	138,516
Building management fees	42,852	41,467
Licensing income	89,207	84,860
	1,541,224	1,875,490

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:

	2014 Segment turnover HK$'000	2013 Segment turnover HK$'000	2014 Segment results HK$'000	2013 Segment results HK$'000
Operating segments				
Apparel - China Mainland and Hong Kong SAR	1,221,214	1,547,605	273,811	392,024
Apparel - Singapore and Malaysia	127,103	147,902	2,340	3,707
Property investment and development	200,929	187,043	314,223	192,123
Inter-segment sales	(8,022)	(7,060)	-	-
	1,541,224	1,875,490	590,374	587,854
Unallocated costs			(57,728)	(54,060)
Profit before income tax			532,646	533,794
Income tax expense			(111,604)	(119,215)
Profit for the year			421,042	414,579

3. Other gains

	2014	2013
	HK$'000	HK$'000
Fair value gains on investment properties	107,831	87,351
Gains on disposals of assets classified as held for sale	90,682	-
	198,513	87,351

4. Expenses by nature

	2014	2013
	HK$'000	HK$'000
Cost of inventories sold	631,242	735,621
(Reversal of)/provision for impairment of inventories	(322)	77,414
Direct operating expenses arising from investment properties that generated rental income	43,833	44,576
Operating lease rentals - land and buildings	103,599	98,670
Amortization of land use rights	1,979	2,049
Depreciation of property, plant and equipment	30,944	27,958
Impairment of property, plant and equipment	3,879	-
Staff costs including directors' emoluments	232,355	228,085
Auditors' remuneration	3,546	3,494
Other expenses	187,642	241,931
	1,238,697	1,459,798
Representing:		
Cost of sales	682,610	861,684
Selling and marketing costs	356,038	403,726
Administrative expenses	200,049	194,388
	1,238,697	1,459,798

5. Income tax expense

	2014	2013
	HK$'000	HK$'000
Hong Kong profits tax		
Current year	1,486	1,080
Over-provision in prior year	-	(64)
	1,486	1,016
Taxation outside Hong Kong		
Current year	101,514	125,041
Under-provision in prior years	32	204
	101,546	125,245
Deferred income tax	8,572	(7,046)
Total income tax expense	111,604	119,215

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 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% (2013: 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 parent of HK$421,042,000 (2013: HK$414,579,000) and the number of ordinary shares in issue of 982,114,035 (2013: 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 2014 and 2013.

7. Dividends

	2014 HK$'000	**2013** HK$'000
2013 interim dividend, paid, of 9.0 HK cents per ordinary share	-	88,390
2013 final dividend, paid, of 18.0 HK cents per ordinary share	-	176,781
2014 interim dividend, paid, of 8.0 HK cents per ordinary share	78,569	-
2014 final dividend, proposed, of 16.0 HK cents per ordinary share	157,138	-
	235,707	265,171

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 31.12.2014 HK$'000	**As at 31.12.2013** HK$'000
1-30 days	67,104	96,699
31-90 days	34,826	19,873
Over 90 days	1,724	2,766
	103,654	119,338

9. Trade payables

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

	As at 31.12.2014 HK$'000	**As at 31.12.2013** HK$'000
1-30 days	32,469	53,350
31-90 days	12,000	5,493
Over 90 days	6,936	10,788
	51,405	69,631

FINAL DIVIDEND

The Directors have recommended the payment of a final dividend of 16.0 HK cents per share (2013: 18.0 HK cents per share) for the year ended 31st December 2014, totalling HK$157,138,000 (2013: HK$176,781,000). Subject to the shareholders' approval at the forthcoming annual general meeting, the final dividend will be paid on or about 9th June 2015 to shareholders whose names appear on the Register of Members as at 1st June 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

Turnover and gross profit

During the year under review, the Group has experienced one of the most severe operating environment in recent years. Total turnover for the year amounted to HK$1,541,224,000, representing a year-on-year drop of 18%. The decrease was concentrated in the apparel business in the China Mainland and the Singapore markets. A drop of 23% in turnover of the Mainland apparel operation was recorded over last year, particularly serious for the wholesale business to distributors. As for the 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$858,614,000, representing a decrease of 15% comparing with HK$1,013,806,000 of last year. Overall gross profit margin was approximately 55.7%, up by about 1.6 percentage points from 54.1% of last year, which was mainly due to higher proportion of revenue recorded from businesses with lower costs comparing with last year. For the Group's apparel operation, the gross profit margin was approximately 49.3%, broadly in line with last year.

Operating expenses and operating profit

The Group is well aware that unnecessary resources allocation during continuous adverse market conditions would not only be unable to bring in any business growth, but will also drag down the overall profitability. Operating cost control measures were therefore strictly implemented during the year. Selling and marketing costs for the year decreased by 12% to HK$356,038,000. However, due to the decrease in turnover, percentage to the overall turnover accounted for 23.1%, up from 21.5% of last year.

Administrative expenses of the Group during the year were HK$200,049,000, increased by 3% from last year. This was due to the depreciation of Renminbi ("RMB") during the year which resulted in an exchange loss (mainly on RMB deposits in Hong Kong) of HK$8,027,000, while an exchange gain of HK$6,055,000 was recorded in last year.

During the year, the Group recorded other gains of HK$198,513,000, including fair value gains on investment properties of HK$107,831,000 and gains on disposals of assets classified as held for sale (the properties in Anhua Road, Changning District, Shanghai) of HK$90,682,000. Other gains for last year included fair value gains on investment properties of HK$87,351,000.

Operating profit for the year amounted to HK$501,040,000, broadly comparable with last year's HK$503,043,000. The operating profit margin was approximately 32.5%, higher than 26.8% of last year, mainly due to the increase in other gains during the year.

Profit attributable to owners of the parent

Profit attributable to owners of the parent for the year was HK$421,042,000, rising by 2% from HK$414,579,000 of last year. Profit for the year would be HK$323,394,000 if fair value gains after tax on investment properties of HK$97,648,000 were excluded. Such profit represented a decrease of 3% from HK$332,066,000 (if the fair value gains after tax on investment properties of HK$82,513,000 were excluded) of last year. The profit will drop by 23% over last year, if the gains after tax on disposals of assets classified as held for sale for the year of HK$68,012,000 were also excluded.

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

Since 2013, the Central Government's extravagance curbs and anti-bribery measures have had far-reaching impact on high-end consumption. Coupled with this, GDP has been growing at a slower pace in recent years after a prolonged period of dramatic economic growth. All these unfavourable factors have combined to erode demand for mid to high-end consumer products. With consumer sentiment being largely uncertain, the retail market failed to pick up during the year. This was aggravated by the fact that, after years of rapid expansion, local apparel operators are generally troubled by high inventory level and tight cash flows in the deteriorating business environment. This means it will take them more time and readjustment to be back on track.

The Group's apparel operation in China Mainland is primarily conducted 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 business launched in the third quarter last year.

Struck by the critical market conditions, there has been no improvement in the performance of the Group's distributors during the year. To ensure stable business development for them in the long run, the Group lowered the relevant wholesale targets and allowed an appropriate amount of sales returns for selling via our e-commerce channels. This resulted in a drop in sales to distributors by approximately 31% in RMB for the year.

When growth is falling steeply, business development hinges on the operator's retail capability. Fully aware of this, the Group strengthened its communication with the distributors, regularly reviewed their performance and provided them with appropriate support during the year. To further expand sales for the Goldlion brand, distributorship for certain provinces was reassigned in the year to bring in professional operators who are more ambitious and more proven in their retail capabilities.

Sales of self-operated retail shops (excluding factory outlets) recorded an increase of about 7% in RMB following the Group's takeover of several retail shops previously operated by the "Gold Label" retailer in the middle of last year. Nonetheless, the Group's self-operated retail business was hit by the dampened market and sales of comparable retail shops recorded a decrease of about 5%.

Business of factory outlets was likewise affected by the unfavorable market conditions. The weak sales that the year started with did not stabilize until towards the end of the year, resulting in a year-on-year decrease of about 7% in turnover.

At the end of the year, the Group had approximately 1,120 retail outlets in China, among which about 90 were self-operated. The total number of retail outlets was smaller than that of last year as the Group had reorganized certain low performers. To ensure operational effectiveness, the Group will continue to monitor the performance of its outlets and to close the non-profitable shops whenever necessary.

For the year as a whole, sales achieved by e-commerce launched in the third quarter of last year were satisfactory, amounting to approximately HK$58,659,000. Since this mode of business was intended for clearing off-season inventories without compromising offline sales, online sales accounted for only about 5% of the Group's overall apparel sales during the year. Pending strategies to be formulated for further expansion in the segment, e-commerce is expected to become a driver behind the Group's business growth.

Licensing income for the year amounted to HK$89,207,000, representing an increase of around 5%, or around 6% in RMB, over 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, provided them with appropriate support, and assisted them in clamping down on fakes and safeguarding consumer interest 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

During the year under review, the Group's business in Singapore and Malaysia continued to be under pressure, leading to an annual fall of approximately 14% in overall sales. The economy continued to slow down during the year while consumer confidence slumped in a weakening retail market. The Group's apparel sales were further seriously hit by the relocation of a major local department store. When compared with last year, sales for the Singapore market amounted to HK$120,620,000, representing a decrease of approximately 14%.

Sales of comparable outlets decreased by about 8% in local currency over last year. At the end of the year, there were a total of 8 Goldlion shops and 24 counters in Singapore, or one counter more than that at the end of last year.

Given the Group's vigorous efforts in cost control during the period, overall expenses were slightly lower than that of last year despite high local operating costs. Owing to a slide in gross profits along with sales, however, operating profit in Singapore for the year as a whole amounted to approximately HK$2,397,000, representing a year-on-year decrease of about 25%. Operating profit margin was 2%, largely similar to that of last year.

The Group's business in the Malaysia market is relatively small in scale. Sales for the year amounted to HK$6,483,000, representing a year-on-year decrease of approximately 7%. At the end of the year, there were a total of 22 counters in the local market. Affected by the adverse local market conditions, the Group's sales in Malaysia fell, resulting in a slight loss. Operating profit for last year amounted to about HK$524,000.

Property Investment and Development

Except for the acquisition of a shop premises in Dongguan at a consideration of RMB18,000,000, the Group's investment property portfolio had no significant changes since the end of last year. Fair value gains on investment properties recognized by the Group after independent professional valuations amounted to HK$107,831,000. These included gains of HK$67,100,000 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. The fair value gains for last year stood at HK$87,351,000.

Rental income and building management fees for the year amounted to HK$150,055,000 and HK$42,852,000 respectively, representing an increase of around 8% and 3% over last year. As a result of stringent cost controls, direct operating expenses on investment properties decreased by around 2% during the year. On account of the increase in income and decrease in cost, operating profit excluding fair value gains on investment properties and gains from disposals of property rose by 10% over last year.

Leasing of Goldlion Digital Network Centre in Tianhe, Guangzhou, remained stable, with occupancy rate maintained at around 94%. Despite transferal of an office unit to the Group's own use, total rental income and building management fees in RMB rose by 4% when compared with those registered for last year.

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 6% over last year.

During the period, the lease of the Group's property at No. 3 Yuk Yat Street, To Kwa Wan, Hong Kong, was renewed with a substantial increase in rent and the Group's investment properties in Hong Kong were fully occupied. As a result, total rental income and building management fees of the Group's properties in Hong Kong increased by approximately 23% over last year. In particular, the increase for Goldlion Holdings Centre was approximately 13%.

In Shanghai, the Group completed delivery of its properties in Anhua Road, Changning District, in June and received the remaining balance of the compensation payment. Accordingly, the relevant gains on disposals of assets classified as held for sale amounted to HK$90,682,000 were recognized under "other gains" during the year.

Towards the end of last year, the Group made a successful bid for a piece of land with a site area of approximately 75,949 square meters in Meixian for RMB102,600,000. Owing to resettlement delay, the land use certificate was not received until January 2015. At present, the project is in the initial planning stage. In view of the weak property market in China Mainland, the Group will exercise great prudence with regard to its development plan.

PROSPECTS

After two years of adjustment for the sector, business for high-end menswear in the China Mainland market still looks gloomy and the consistently high growth rates enjoyed in previous years will remain elusive for some time to come. Although downward pressure on the market has eased for the time being, apparel business in the China Mainland market will be faced with difficulties and challenges in the short term.

Understanding that it takes time for distributors to overcome their operating difficulties, the Group does not anticipate any significant breakthrough in the relevant wholesale business in 2015. The Group's Mainland 2015 fall and winter collections sales fair was held in mid-March 2015. Total preliminary order amount as shown in our records is close to those for the corresponding season last year. Deliveries to distributors will subsequently begin in the second half of this year.

The Group will continue to optimize its retail management in order to boost its retail performance. In light of the unfavorable retail market conditions in China Mainland, the Group will gear its efforts towards a stable growth in retail business.

To take advantage of the initial results in sales achieved by e-commerce, steps will be taken to bring about further expansion in this segment. In addition to increasing sales channels, the move will help clear off-season stocks. Considering the potential of online business, an even bigger growth is expected for the coming year.

Brand renewal will continue to be top on the Group's agenda to reinforce its young and fashionable image without losing sight of product quality. To expand our clientele as a whole, product designs will be diversified with a greater emphasis on chicness so as to accommodate preferences of different customer groups.

In Singapore, market conditions are expected to remain unimproved. The Group will continue to adopt sound business strategies in order to boost overall profitability through striving for business growth and cost control.

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. Development strategies for the Meixian site will be formulated subject to market conditions. Barring future unforeseen circumstances, the Group plan to commence work on the land in the foreseeable future.

Underpinned by a strong business base, sound financial background and superior branding, the Group is confident that its leading position in the sector will be further consolidated and consistent growth will be restored once weaker players have exited the apparel market under the circumstances.

FINANCIAL POSITION

As at 31st December 2014, cash and bank balances held by the Group amounted to approximately HK$1,240,034,000, which was HK$55,652,000 lower than the balance as at 31st December 2013. During the year, the Group recorded a net cash inflow from operating activities of HK$167,299,000 and received the net compensation balance in relation to the surrender of property in Shanghai of HK$51,355,000. However, the Group also paid dividends of HK$255,350,000 during the year and recorded losses from foreign exchange rate changes of HK$12,766,000. As at 31st December 2014, the Group did not have any bank loans or overdrafts.

As at 31st December 2014, the Group's current assets and current liabilities were HK$1,767,916,000 and HK$448,363,000 respectively, with a current ratio at 3.9. Total current liabilities were 13% of the average capital and reserves attributable to owners of the parent of HK$3,507,073,000.

As at 31st December 2014, 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 2014, the Group had approximately 1,780 employees. Staff costs including directors’ emoluments of the year amounted to HK$232,355,000. 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 22nd May 2015 (the "2015 AGM"), the Register of Members of the Company will be closed from 20th May 2015 to 22nd May 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2015 AGM, all transfers accompanied by the relevant shares certificates must be lodged by 4:30 p.m. on Tuesday, 19th May 2015 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 from 29th May 2015 to 1st June 2015 (both days inclusive), 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 Thursday, 28th May 2015 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:

(a) In accordance with the Company's Articles of Association, any Director appointed to fill casual vacancy should be subject to election at the first general meeting after their appointment and every Director has been subject to retirement by rotation at least once every three years. Prior to 23rd May 2014, the non-executive Directors of the Company were 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, but were not appointed for a specific term, which was not consistent with Code Provision A.4.1 which requires that all non-executive directors be appointed for a specific term subject to re-election. Such derivation has been ratified as on 23rd May 2014, each of the non-executive Directors entered into formal appointment letter setting out their specific term of appointment.

(b) Dr. Wong Ying Ho, Kennedy, a non-executive Director of the Company, was unable to attend the annual general meeting of the Company held on 23rd May 2014 owing to an important engagement at the relevant time, which is not consistent with the requirements of Code Provision A.6.7.

(c) Dr. Tsang Hin Chi, Chairman of the Company's Board of Directors, was unable to attend the annual general meeting of the Company held on 23rd May 2014 owing to an important engagement at the relevant time, which is not consistent with the requirements of Code Provision E.1.2.

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 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 STATEMENTS

The Group's consolidated financial statements for the year ended 31st December 2014 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 2014. 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 2014 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 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.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 19th March 2015