CHAIRMAN'S STATEMENT

OPERATING RESULTS

Turnover and gross profit

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

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

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

Operating expenses and operating profit

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

OPERATING RESULTS (Continued)

Profit attributable to owners of the parent

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

BUSINESS REVIEW

Apparel Business

China Mainland and Hong Kong SAR Markets

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW *(Continued)*

Apparel Business *(Continued)*

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

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

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

Singapore and Malaysia Markets

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW (Continued)

Property Investments and Development

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

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

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

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

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

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

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS

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

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

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

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

FINANCIAL POSITION

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

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

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

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, 30th August 2011

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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CONDENSED CONSOLIDATED BALANCE SHEET

As at 30th June 2011 and 31st December 2010

	Note	Unaudited 30th June 2011	Audited 31st December 2010
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Land use rights	*5*	16,438	17,017
Property, plant and equipment	*5*	207,334	208,407
Investment properties	*5*	1,915,826	1,838,348
Deferred income tax assets		46,670	42,139
		2,186,268	2,105,911
Current assets			
Completed properties held for sale		4,547	14,712
Inventories		181,118	144,222
Trade receivables	*6*	44,348	49,831
Prepayments, deposits and other receivables	*7*	106,516	52,279
Bank deposits		262,038	60,552
Cash and cash equivalents		701,861	869,108
		1,300,428	1,190,704
Total assets		3,486,696	3,296,615
EQUITY			
Capital and reserves attributable to owners of the parent			
Share capital	*8*	98,211	98,211
Reserves		2,589,212	2,410,594
Proposed dividend		83,480	137,496
		2,770,903	2,646,301
Non-controlling interests		1,728	1,311
Total equity		2,772,631	2,647,612
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		303,243	277,697
Current liabilities			
Trade payables	*9*	49,813	56,572
Other payables and accruals		337,599	295,605
Current income tax liabilities		23,410	19,129
		410,822	371,306
Total liabilities		714,065	649,003
Total equity and liabilities		3,486,696	3,296,615
Net current assets		889,606	819,398
Total assets less current liabilities		3,075,874	2,925,309

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30th June 2011

		Unaudited Six months ended 30th June 2011	30th June 2010
	Note	*HK$'000*	*HK$'000*
Turnover	*4*	805,264	667,089
Cost of sales	*11*	(323,289)	(267,275)
Gross profit		481,975	399,814
Other gains, net	*10*	41,756	15,406
Selling and marketing costs	*11*	(151,437)	(110,439)
Administrative expenses	*11*	(98,593)	(89,858)
Operating profit		273,701	214,923
Interest income		9,508	4,025
Profit before income tax		283,209	218,948
Income tax expense	*12*	(79,750)	(57,013)
Profit for the period		203,459	161,935
Profit attributable to:			
Owners of the parent		203,042	161,535
Non-controlling interests		417	400
		203,459	161,935
Earnings per share for profit attributable to owners of the parent during the period		*HK cents*	*HK cents*
– basic	*14*	20.67	16.48
– diluted	*14*	20.67	16.45

		30th June 2011	30th June 2010
		HK$'000	*HK$'000*
Dividend	*13*	83,480	68,748

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30th June 2011

	Unaudited Six months ended 30th June 2011	30th June 2010
	HK$'000	*HK$'000*
Profit for the period	203,459	161,935
Other comprehensive income		
Exchange differences on translation of financial statements of overseas subsidiaries	59,056	15,858
Total comprehensive income for the period	262,515	177,793
Attributable to:		
Owners of the parent	262,098	177,393
Non-controlling interests	417	400
Total comprehensive income for the period	262,515	177,793

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30th June 2011

	Unaudited							
	Attributable to owners of the parent							
	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interests	Treasury shares	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1st January 2010	98,211	1,002,662	205,015	1,084,839	2,390,727	1,311	(3,147)	2,388,891
Employee share-based compensation benefits	–	–	402	–	402	–	–	402
Dividend relating to 2009	–	–	–	(117,633)	(117,633)	–	–	(117,633)
Vesting of shares of Share Award Scheme	–	–	(1,722)	–	(1,722)	–	1,722	–
Total comprehensive income for the period	–	–	15,858	161,535	177,393	400	–	177,793
	–	–	14,538	43,902	58,440	400	1,722	60,562
Balance at 30th June 2010	98,211	1,002,662	219,553	1,128,741	2,449,167	1,711	(1,425)	2,449,453
Balance at 1st January 2011	98,211	1,002,662	253,806	1,291,622	2,646,301	1,311	–	2,647,612
Dividend relating to 2010	–	–	–	(137,496)	(137,496)	–	–	(137,496)
Total comprehensive income for the period	–	–	59,056	203,042	262,098	417	–	262,515
	–	–	59,056	65,546	124,602	417	–	125,019
Balance at 30th June 2011	98,211	1,002,662	312,862	1,357,168	2,770,903	1,728	–	2,772,631

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30th June 2011

	Unaudited Six months ended 30th June 2011	30th June 2010
	HK$'000	*HK$'000*
Cash flows from operating activities – net	146,241	125,401
Cash flows from investing activities – net	(199,149)	(3,411)
Cash flows from financing activities – net	(137,496)	(117,633)
Net (decrease)/increase in cash and cash equivalents	(190,404)	4,357
Cash and cash equivalents at the beginning of the period	869,108	775,226
Effect of foreign exchange rate changes	23,157	5,126
Cash and cash equivalents at the end of the period	701,861	784,709

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 its 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 has its primary listing on The Stock Exchange of Hong Kong Limited.

These 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 30th August 2011.

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 2011 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 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ('HKFRS').

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 2010, 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 standards and amendments to standard are mandatory for the first time for the financial year beginning on or after 1st January 2011.

HKAS 24 (Revised), 'Related party disclosures', introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

- The name of the government and the nature of their relationship;
- The nature and amount of any individually significant transactions; and
- The extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party. The Group has applied HKAS 24 (Revised) from 1st January 2011.

HKAS 34 (Amendment), 'Interim financial reporting', emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures. The Group has applied HKAS 34 (Amendment) from 1st January 2011.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

***3. Accounting policies** (Continued)*

(b) Amendments and interpretations to existing standards effective in 2011 but not relevant to the Group

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

Third improvements to HKFRSs (2010) were issued in May 2010 by the Hong Kong Institute of Certified Public Accountants ('HKICPA'), except for amendment to HKAS 34 'Interim financial reporting' as disclosed in note 3(a) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the financial year of 2011.

These amendments, interpretations and improvements to the existing standards do not have significant impact to the Group for the period ended 30th June 2011.

4. Operating Segments

	Six months ended 30th June 2011	**Six months ended 30th June 2010**
	HK$'000	*HK$'000*
Analysis of turnover		
Sales of goods	665,428	532,127
Gross rental income from investment properties	59,525	57,558
Sales of properties	33,381	35,294
Building management income	17,637	15,878
Licensing income	29,293	26,232
	805,264	667,089

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(Continued)

4. *Operating Segments* *(Continued)*

The Group determines its operating segments based on the 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 in 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 in China Mainland and Hong Kong SAR, and licensing of brand name in China Mainland;

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.

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

	Six months ended 30th June 2011				
	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	613,863	80,858	110,543	–	805,264
Inter-segment sales	–	–	2,651	(2,651)	–
	613,863	80,858	113,194	(2,651)	805,264
Segment results	185,363	5,523	110,617		301,503
Unallocated costs					(18,294)
Profit before income tax					283,209
Income tax expense					(79,750)
Profit for the period					203,459

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

4. *Operating Segments* *(Continued)*

	Six months ended 30th June 2010				
	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	491,486	66,873	108,730	–	667,089
Inter-segment sales	–	–	2,528	(2,528)	–
	491,486	66,873	111,258	(2,528)	667,089
Segment results	150,023	9,743	78,176		237,942
Unallocated costs					(18,994)
Profit before income tax					218,948
Income tax expense					(57,013)
Profit for the period					161,935

Central costs (mainly costs of support functions that centrally provide services to all of the operating segments) are included as unallocated costs that are used by the chief operating decision-makers for the purposes of resource allocation and assessment of segment performance. Performance is measured based on segment results. Taxation charge is not allocated to reportable segments.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(Continued)

5. *Capital expenditure*

	Land use rights HK$'000	Property, plant and equipment HK$'000	Investment properties HK$'000	Total HK$'000
Opening net book amount as at 1st January 2010	13,701	192,917	1,742,660	1,949,278
Additions	–	5,981	610	6,591
Disposals	–	(79)	–	(79)
Amortization and depreciation *(Note 11)*	(785)	(11,869)	–	(12,654)
Fair value gains	–	–	15,406	15,406
Impairment charges *(Note 11)*	–	(1,050)	–	(1,050)
Exchange differences	69	1,146	10,815	12,030
Closing net book amount as at 30th June 2010	12,985	187,046	1,769,491	1,969,522
Additions	–	6,944	3,133	10,077
Disposals	–	(23)	–	(23)
Transfer	4,714	24,170	(27,928)	956
Amortization and depreciation	(804)	(12,860)	–	(13,664)
Fair value gains	–	–	74,422	74,422
Write-back of impairment charges	–	921	–	921
Exchange differences	122	2,209	19,230	21,561
Closing net book amount as at 31st December 2010	17,017	208,407	1,838,348	2,063,772
Opening net book amount as at 1st January 2011	17,017	208,407	1,838,348	2,063,772
Additions	–	8,667	8,884	17,551
Disposals	–	(42)	(7,140)	(7,182)
Transfer	–	–	860	860
Amortization and depreciation *(Note 11)*	(894)	(14,055)	–	(14,949)
Fair value gains	–	–	38,707	38,707
Exchange differences	315	4,357	36,167	40,839
Closing net book amount as at 30th June 2011	16,438	207,334	1,915,826	2,139,598

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 ageing analysis of the trade receivables, net of provision, is as follows:

	As at 30th June 2011	**As at 31st December 2010**
	HK$'000	*HK$'000*
1-30 days	36,456	43,985
31-90 days	7,440	5,553
Over 90 days	452	293
	44,348	49,831

7. *Prepayments, deposits and other receivables*

	Note	**As at 30th June 2011**	**As at 31st December 2010**
		HK$'000	*HK$'000*
Purchase deposits	*(i)*	79,492	38,547
Prepayments		8,400	4,220
General deposits		5,727	4,760
Others		12,897	4,752
		106,516	52,279

Note:

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

8. *Share capital*

	As at 30th June 2011	As at 31st December 2010
	HK$'000	*HK$'000*
Authorized:		
1,200,000,000 (31st December 2010: 1,200,000,000) shares of HK$0.10 each	120,000	120,000
Issued and fully paid:		
982,114,035 (31st December 2010: 982,114,035) shares of HK$0.10 each	98,211	98,211

9. *Trade payables*

An ageing analysis of the trade payables is as follows:

	As at 30th June 2011	As at 31st December 2010
	HK$'000	*HK$'000*
1-30 days	43,231	43,519
31-90 days	5,971	10,723
Over 90 days	611	2,330
	49,813	56,572

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(Continued)

10. *Other gains, net*

	Six months ended 30th June 2011	Six months ended 30th June 2010
	HK$'000	*HK$'000*
Fair value gains on investment properties	38,707	15,406
Gain on disposal of an investment property	3,049	–
	41,756	15,406

11. *Expenses by nature*

	Six months ended 30th June 2011	Six months ended 30th June 2010
	HK$'000	*HK$'000*
Cost of properties sold	12,725	17,119
Cost of inventories sold	295,864	224,617
(Reversal of)/provision for impairment of inventories	(4,344)	6,767
Impairment loss on property, plant and equipment *(Note 5)*	–	1,050
Direct operating expenses arising from investment properties	15,043	14,181
Amortization of land use rights *(Note 5)*	894	785
Depreciation of property, plant and equipment *(Note 5)*	14,055	11,869
Staff costs including directors' emoluments	107,503	87,667
Other expenses	131,579	103,517
	573,319	467,572
Representing:		
Cost of sales	323,289	267,275
Selling and marketing costs	151,437	110,439
Administrative expenses	98,593	89,858
	573,319	467,572

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

12. *Income tax expense*

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

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

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

	Six months ended	
	30th June 2011	**30th June 2010**
	HK$'000	*HK$'000*
Current tax		
– Hong Kong	466	–
– PRC enterprise income tax	56,065	51,571
– Overseas taxation	939	1,782
– Land appreciation tax	6,936	(786)
Deferred income tax	15,344	4,446
Total income tax expense	79,750	57,013

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

13. *Dividend*

	Six months ended 30th June 2011	Six months ended 30th June 2010
	HK$'000	*HK$'000*
Interim dividend of 8.5 HK cents (2010: 7.0 HK cents) per ordinary share	83,480	68,748

A 2010 final dividend of 14.0 HK cents (2009 final: 12.0 HK cents) per ordinary share, totaling HK$137,496,000 was paid in June 2011 (2009 final: HK$117,633,000).

At a meeting held on 30th August 2011, the Directors declared an interim dividend of 8.5 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 2011.

14. *Earnings per share*

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

15. Commitments

(a) Capital commitments

	As at 30th June 2011	As at 31st December 2010
	HK$'000	*HK$'000*
Property, plant and equipment		
Contracted but not provided for	1,075	1,477

(b) At 30th June 2011, the Group had future aggregate minimum lease payments receivable and payable under non-cancellable operating leases as follows:

	As at 30th June 2011	As at 31st December 2010
	HK$'000	*HK$'000*
Rental receivables		
– not later than one year	100,602	89,208
– later than one year and not later than five years	116,167	111,060
– later than five years	11,387	14,691
	228,156	214,959
Rental payables		
– not later than one year	8,921	5,951
– later than one year and not later than five years	4,418	4,079
	13,339	10,030

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

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(Continued)

16. *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 the 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. The remaining 31.83% are widely held.

The following transactions were carried out with related parties:

		Six months ended	
		30th June 2011	**30th June 2010**
	Note	*HK$'000*	*HK$'000*
(a) Sales of services:			
Rental received from related companies	*(i)*	1,558	1,500
Building management fees received from a related company	*(ii)*	631	603
(b) Purchase of services:			
Professional fees paid to a related company	*(iii)*	160	160

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 World Trade Corporation ('CWTC') and 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, CWTC and CHKDAM as he is a major shareholder of the holding company of GWTCCL, CWTC 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)

16. *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. Mr. Tsang Chi Hung has indirect beneficial interest in GWTCCL as he is a major shareholder of the holding company of GWTCCL. 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 (2010: HK$160,000) was paid by the Company. Mr. Ng Ming Wah, Charles, a non-executive Director of the Company, is the managing director of, and a principal shareholder in, Equitas Capital Limited.

(c) Period-end balances arising from purchases of financial advisory services

	As at 30th June 2011	**As at 30th June 2010**
	HK$'000	*HK$'000*
Payable to a related party:		
Equitas Capital Limited	160	160

SUPPLEMENTARY INFORMATION

INTERIM DIVIDEND

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

CLOSURE OF REGISTER OF MEMBER

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

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

PURCHASE, SALE OR REDEMPTION OF SHARES

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

SHARE OPTIONS

At the Extraordinary General Meeting of the Company held on 21st May 2002, the shareholders approved the adoption of a new share option scheme (the "New Option Scheme"). The New Option Scheme is designed to enable the Group to reward and motivate executives and key employees in service of the Group and other persons who may make a contribution to the Group.

During the six months ended 30th June 2011, no options had been granted or remained outstanding under the New Option Scheme or any other share option scheme of the Company.

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 2011, 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 2011

		Number of shares held				
Directors		**Personal interests**	**Family interests** *(Note 1)*	**Other interests** *(Note 2)*	**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	–	–	–	–	–

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)

Notes:

1. 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.

2. 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.

Save as disclosed above, as at 30th June 2011, 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 2011 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.

SUPPLEMENTARY INFORMATION *(Continued)*

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

As at 30th June 2011, the register of substantial shareholders maintained under section 336 of Part XV of the SFO shows that as at 30th June 2011, 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 subsidiary of Top Grade.

SUPPLEMENTARY INFORMATION *(Continued)*

CORPORATE GOVERNANCE

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

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

AUDIT COMMITTEE

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

REVIEW OF FINANCIAL INFORMATION

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

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 as a non-executive Director; and Dr. Lau Yue Sun, Dr. Wong Ying Ho, Kennedy and Mr. Li Ka Fai, David as independent non-executive Directors.