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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: 533)

CONTINUING CONNECTED TRANSACTION

On 4 July 2011, the Group entered into the two-year Lease with GWTCCL for leasing of the Lease Premises.

GWTCCL is indirectly owned as to 75% by Mr. Tsang, the son of executive Directors, Dr. Tsang Hin Chi and Madam Wong Lei Kuan, and a brother of executive Director, Mr. Tsang Chi Ming, Ricky. Mr. Tsang is also a beneficiary of the Dr. Tsang Hin Chi's family trust, the 62.42% controlling shareholder of the Company. Mr. Tsang is therefore a connected person to the Company under the Listing Rules and the Lease constitutes a continuing connected transaction to the Company.

One of the relevant applicable percentage ratios in respect of the annual consideration for the Continuing Connected Transaction is more than 0.1% and the annual consideration exceeds HK\$1,000,000. However, as all the relevant applicable percentage ratios are less than 5%, the Continuing Connected Transaction is subject to the reporting, announcement and annual review requirements set out in Chapter 14A of the Listing Rules, but is exempt from the independent shareholders' approval requirement.

SUMMARY OF THE PRINCIPAL TERMS OF THE LEASE

Date

4 July 2011

Parties

Lessor : GGCPL

Lessee : GWTCCL

Properties subject to the Lease

The Lease Premises.

Term

Lease of a fixed term of two years commencing from 15 July 2011 and expiring on 14 July 2013.

Rental and building management fee

Monthly rental and building management fee have been agreed at RMB86,700 and RMB38,148 respectively which are based on the prevailing market rate. The rental value was supported by an independent valuation dated 15 June 2011.

ANNUAL CAPS

The annual caps for the Continuing Connected Transaction for the three years ending 31 December 2011, 31 December 2012 and 31 December 2012 are as follows:

	1 January 2011 to 31 December 2011	1 January 2012 to 31 December 2012	1 January 2013 to 31 December 2013
Amount (RMB)	693,000	1,499,000	806,000 <i>(Note)</i>

Note: The Continuing Connected Transaction under the Lease will expire on 14 July 2013.

The annual caps are based primarily on the rental and management fee payable to the Group under the Lease.

REASONS FOR THE CONTINUING CONNECTED TRANSACTION

The principal activities of the Group are distribution and manufacturing of garments, leather goods and accessories, licensing of brand name, and property investment and development. The Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transaction has been conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) consider that the Lease is entered into after arm's length negotiations and on normal commercial terms, and the terms of the Continuing Connected Transaction under such agreement and the related annual caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

GWTCCL is principally engaged in operation of commercial club, information technology consulting and catering services.

IMPLICATION UNDER THE LISTING RULES

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As Dr. Tsang Hin Chi, Madam Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky were interested in the Continuing Connected Transaction, they abstained from voting on the relevant resolutions of the Board approving the same.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors;
“Company”	Goldlion Holdings Limited (stock code: 533), a company incorporated in Hong Kong, the Shares of which are listed on the Main Board of the Stock Exchange;
“Continuing Connected Transaction”	The lease of Leased Premises by the Group to GWTCCL as contemplated under the Lease;
“Directors”	the directors of the Company;
“GGCPL”	金利來 房產有限公司 (Guangzhou Goldlion City Properties Company Limited*), an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability;
“Group”	the Company and its subsidiaries;
“GWTCCL”	世貿中 部有限公司 (Guangzhou World Trade Center Club Company Limited*), a company incorporated in the PRC with limited liability and is indirectly owned as to 75% by Mr. Tsang;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lease”	the lease agreement dated 4 July 2011 entered into between GWTCCL as lessee and GGCPL as landlord in respect of the leasing of the Lease Premises;
“Leased Premises”	Units 01 to 03 of 3rd Floor of Goldlion Digital Network Centre (金利來數碼網絡大廈), No. 138 Tiyu Dong Road, Tianhe District, Guangzhou City, Guangdong Province, PRC, with a total gross floor area of approximately 1,156 square meters;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Tsang”	Mr. Tsang Chi Hung;

* For identification purpose only

“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Taiwan or the Hong Kong and Macau Special Administrative Regions;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 4 July 2011

As at the date of this announcement, the Directors of the Company comprise Dr. Tsang Hin Chi, Mr. Tsang Chi Ming, Ricky and Madam Wong Lei Kuan as executive Directors; Mr. Ng Ming Wah, Charles as a non-executive Director; and Dr. Lau Yue Sun, Dr. Wong Ying Ho, Kennedy and Mr. Li Ka Fai, David as independent non-executive Directors.