



**CHAIRMAN'S STATEMENT**

**OPERATING RESULTS**

The balance sheet reflects the performance of the Group for the period ended 30 June 2009. The Group's operating results for the period ended 30 June 2009 are as follows. The Group's operating results for the period ended 30 June 2008 are as follows. The Group's operating results for the period ended 30 June 2008 are as follows.

Under the new management, the Group achieved a profit of HK\$649,394,000, a decrease of 11%, compared with the profit of HK\$730,000,000 for the period ended 30 June 2008. The decrease is due to a 4% increase in the cost of sales and the increase in the cost of sales.

Regarding the other items, the Group's operating results for the period ended 30 June 2009 are as follows. The Group's operating results for the period ended 30 June 2008 are as follows. The Group's operating results for the period ended 30 June 2008 are as follows. The Group's operating results for the period ended 30 June 2008 are as follows.

	Six months ended	
	30.6.2009	30.6.2008
	HK\$'000	HK\$'000
Revenue	118,013	182,150
Adjusted:		
Finance expenses	(3,820)	(29,013)
Finance income	(13,435)	(27,551)
Profit before tax	100,758	125,586

**CHAIRMAN'S STATEMENT** (Continued)

**BUSINESS REVIEW**

**Apparel Business**

China Market and HK SAR Markets  
Income before income tax of the Group, China and HK SAR Markets, for the period ended 31 December 2009, is detailed below. The Group's income before income tax for the period ended 31 December 2009 is detailed below.

Affected by the economic downturn, the Group's China Market and HK SAR Markets income before income tax for the period ended 31 December 2009 is affected by 3%, and 5% respectively. Revenue (RMB), the cost of sales and the gross profit are as follows.

Due to the downturn in the economy, the Group's apparel and accessories business in the Asia Pacific region is affected by the economic downturn. The Market Addition and the decrease in the net sales of the Group's apparel and accessories business are as follows.

In view of the economic downturn, the Group's apparel and accessories business in the Asia Pacific region is affected by the market downturn. The Market Addition and the decrease in the net sales of the Group's apparel and accessories business are as follows.

The Group's apparel and accessories business in the Asia Pacific region is affected by the economic downturn. The Group's apparel and accessories business in the Asia Pacific region is affected by the economic downturn. The Group's apparel and accessories business in the Asia Pacific region is affected by the economic downturn.

Regarding the HK SAR Market, the Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn. The Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn. The Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn.

Losses of the Group's apparel and accessories business in the HK SAR Market are HK\$25,010,000 for the period ended 31 December 2009, which is affected by 17% decrease. The Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn. The Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn.

Shareholders' Meeting  
Shareholders' Meeting of the Group is held on 15 December 2009, during which the Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn. The Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn. The Group's apparel and accessories business in the HK SAR Market is affected by the economic downturn.

**CHAIRMAN'S STATEMENT** (Continued)**BUSINESS REVIEW** (Continued)**Apparel Business** (Continued)**S. a. i. e. a. d. M. a. a. s. a. M. a. s. e. s.** (Continued)

Faced 12% decrease in sales, the Group directed efforts to drive sales. The Group's sales are 10% higher than the corresponding period of the previous year. Sales are expected to be 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

Overall, the Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

**Property Investments and Development**

Property investments and development are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

Affiliated sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

With 10% increase in sales, the Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

Overall, the Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

Overall, the Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

Overall, the Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year. The Group's sales are 10% higher than the corresponding period of the previous year.

**CHAIRMAN'S STATEMENT** (Continued)

**PROSPECTS**

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**FINANCIAL POSITION**

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**ACKNOWLEDGEMENT**

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**Dr. Tsang Hin Chi**  
Chairman

H. K. , 2 S. e. b. 2009

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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

**INTRODUCTION**

We have reviewed the unaudited financial information for the period from 1 June 2009 to 30 June 2009 of Goldlion Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") as at and for the period ended 30 June 2009. The financial information has been prepared in accordance with the accounting policies adopted by the Group. The review was conducted in accordance with the standards of the Hong Kong Accounting Standards for Review Engagements issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The review was limited in scope and does not constitute an audit. We are not providing any assurance on the financial information.

**SCOPE OF REVIEW**

We conducted the review in accordance with the Hong Kong Standards on Review Engagements issued by the HKICPA. The review was limited in scope and does not constitute an audit. We are not providing any assurance on the financial information.

**CONCLUSION**

Based on the review, we are not able to provide any assurance on the financial information for the period ended 30 June 2009.

PricewaterhouseCoopers  
Certified Public Accountants

Hong Kong, 2 September 2009

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009 and 31 December 2008

		Unaudited 30 June 2009	Audited 31 December 2008
	Note	HK\$'000	HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Leasehold properties	5	109,512	111,459
Receivables	5	166,438	178,494
Investments	5	1,650,187	1,635,675
Deferred charges		44,006	34,610
		1,970,143	1,960,238
<b>Current assets</b>			
Receivables		56,728	71,020
Inventory		157,036	205,843
Trade receivables	6	39,940	47,535
Receivables due to related companies		49,188	32,500
Cash and bank balances		565,644	523,159
		868,536	880,057
<b>Total assets</b>		<b>2,838,679</b>	<b>2,840,295</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	7	98,211	98,211
Reserves		2,104,179	2,032,856
Retained profits		58,706	117,412
		2,261,096	2,248,479
<b>Minority interest</b>		1,708	1,311
<b>Total equity</b>		<b>2,262,804</b>	<b>2,249,790</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred charges		244,614	223,874
Other liabilities			5,310
		244,614	229,184
<b>Current liabilities</b>			
Trade payables	8	30,386	56,023
Other payables and accruals		278,010	276,277
Tax payables		22,865	29,021
		331,261	361,321
<b>Total liabilities</b>		<b>575,875</b>	<b>590,505</b>
<b>Total equity and liabilities</b>		<b>2,838,679</b>	<b>2,840,295</b>
<b>Net current assets</b>		<b>537,275</b>	<b>518,736</b>
<b>Total assets less current liabilities</b>		<b>2,507,418</b>	<b>2,478,974</b>

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended 30 June 2009

	Note	Unaudited	
		30 June 2009	30 June 2008
		HK\$'000	HK\$'000
Turnover	4	649,394	732,709
Cost of sales	9	(271,339)	(296,880)
<b>Gross profit</b>		378,055	435,829
Other operating income		4,600	37,167
Selling and distribution expenses	9	(116,378)	(116,176)
Administrative expenses	9	(99,642)	(104,047)
<b>Operating profit</b>		166,635	252,773
Income		3,260	5,675
<b>Profit before income tax</b>		169,895	258,448
Income tax expense	10	(51,485)	(75,909)
<b>Profit for the period</b>		<u>118,410</u>	<u>182,539</u>
<b>Profit attributable to:</b>			
equity holders of the Company		118,013	182,150
minority interests		397	389
		<u>118,410</u>	<u>182,539</u>
Dividend	11	<u>58,706</u>	<u>58,927</u>
Exchange differences in fair value of equity of the Company (HK\$)			
basic	12	<u>12.06</u>	<u>18.55</u>
weighted	12	<u>12.02</u>	<u>18.55</u>



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June 2009

	Unaudited	
	Six months ended	
	30 June 2009	30 June 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Profit for the period</b>	118,410	182,539
<b>Other comprehensive income</b>		
Exchange differences in translation of foreign operations	11,136	87,929
Share of other comprehensive income of associates	<u>                    </u>	<u>1,200</u>
<b>Total comprehensive income for the period</b>	<u>129,546</u>	<u>271,668</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	129,149	271,279
Minority interests	<u>397</u>	<u>389</u>
	<u>129,546</u>	<u>271,668</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 June 2009*

	Unaudited								
	Attributable to equity holders of the Company			Other comprehensive income			Minority interest	Treasury shares	Total
	Share capital	Other reserves	Retained earnings	Revaluation reserves	Exchange reserves				
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	
Balances at 1 January 2008	98,211	1,018,791	830,188	-----	43,556	1,311	-----	1,992,057	
Adjustments in 2007		11,120	(11,120)						
Dividends received			(78,569)					(78,569)	
Transactions in 2008			182,150	1,200	87,929	389		271,668	
Effect of revaluation		11,120	92,461	1,200	87,929	389		193,099	
	<u>98,211</u>	<u>1,029,911</u>	<u>922,649</u>	<u>1,200</u>	<u>131,485</u>	<u>1,700</u>		<u>2,185,156</u>	
Balances at 30 June 2008									
Balances at 1 January 2009	98,211	1,033,579	973,096	5,943	143,667	1,311	(6,017)	2,249,790	
Adjustments in 2009		10,211	(10,211)						
Equity-based incentive		880						880	
Dividends received			(117,412)					(117,412)	
Transactions in 2009			118,013		11,136	397		129,546	
Effect of revaluation		11,091	(9,610)		11,136	397		13,014	
	<u>98,211</u>	<u>1,044,670</u>	<u>963,486</u>	<u>5,943</u>	<u>154,803</u>	<u>1,708</u>	<u>(6,017)</u>	<u>2,262,804</u>	
Balances at 30 June 2009									

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2009

	Unaudited	
	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Cash flows from operating activities	162,592	101,142
Cash flows from investing activities	(4,401)	(27,888)
Cash flows from financing activities	(117,412)	(78,569)
Net increase/(decrease) in cash and cash equivalents	40,779	(5,315)
Cash and cash equivalents at start of period	523,159	455,211
Effect of foreign exchange	1,706	19,455
Cash and cash equivalents at end of period	<u>565,644</u>	<u>469,351</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

### 1 General information

Gold Lion Holdings Limited (the 'Company') is a public limited liability company (incorporated in the Cayman Islands) and its registered office is at the registered office of the Company, Gold Lion Holdings Limited, 13-15 York Street, Hong Kong.

The Company is a wholly owned subsidiary of Gold Lion Holdings Limited. The address of the registered office of the Company is at the registered office of the Company, Gold Lion Holdings Limited, 13-15 York Street, Hong Kong.

The Company is a public limited liability company (incorporated in the Cayman Islands).

The condensed consolidated financial statements of the Company for the period ended 30 June 2009 are prepared in accordance with the accounting policies set out in the condensed consolidated financial statements of the Company for the period ended 30 June 2009.

The condensed consolidated financial statements of the Company are prepared in accordance with the accounting policies set out in the condensed consolidated financial statements of the Company for the period ended 30 June 2009.

### 2 Basis of preparation

The condensed consolidated financial statements of the Company for the period ended 30 June 2009 are prepared in accordance with the accounting policies set out in the condensed consolidated financial statements of the Company for the period ended 30 June 2009. The condensed consolidated financial statements of the Company for the period ended 30 June 2009 are prepared in accordance with the accounting policies set out in the condensed consolidated financial statements of the Company for the period ended 30 June 2009. The condensed consolidated financial statements of the Company for the period ended 30 June 2009 are prepared in accordance with the accounting policies set out in the condensed consolidated financial statements of the Company for the period ended 30 June 2009.

### 3 Accounting policies

The accounting policies of the Company are consistent with the accounting policies of the Company for the period ended 30 June 2008, as disclosed in the condensed consolidated financial statements of the Company for the period ended 30 June 2008.

The accounting policies of the Company are consistent with the accounting policies of the Company for the period ended 30 June 2008, as disclosed in the condensed consolidated financial statements of the Company for the period ended 30 June 2008.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

3 Accounting policies (continued)

The adoption of these standards and amendments is effective from 1 January 2009.

- HKAS 1 (revised), 'Presentation of financial statements' The revised standard is based on the revised framework of measurement (Assets - Liabilities = Equity). The application of the revised standard is effective from 1 January 2009. The revised standard is effective from 1 January 2009.

Effective from 1 January 2009, the Group has adopted HKAS 1 (revised) and HKAS 14 (revised) from 1 January 2009.

The Group has also adopted HKAS 14 (revised) from 1 January 2009. The Group has also adopted HKAS 14 (revised) from 1 January 2009.

- HKFRS 8, 'Operating segments' HKFRS 8 is effective from 1 January 2009. The Group has adopted HKFRS 8 from 1 January 2009. The Group has also adopted HKFRS 8 from 1 January 2009.

Operating segments are defined as a component of the Group that is engaged in a business activity and is subject to separate financial analysis. The Group has adopted HKFRS 8 from 1 January 2009.

- The Group has also adopted HKFRS 7, 'Financial instruments: disclosure' The Group has adopted HKFRS 7 from 1 January 2009. The Group has also adopted HKFRS 7 from 1 January 2009.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

### 3 Accounting policies (continued)

The following standards, amendments to standards and interpretations adopted by the Group are effective for the accounting periods beginning on or after 1 January 2009, but are not yet applicable to the Group.

- HKAS 23 (amendment), 'Borrowing costs'.
- HKFRS 2 (amendment), 'Share-based payment'.
- HKAS 32 (amendment), 'Financial Instruments: Presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'.
- HK(IFRIC) 15, 'Assets Measured at Fair Value'.
- HK(IFRIC) 16, 'Hedge Accounting - Alternative'.
- HKAS 39 (amendment), 'Financial Instruments: Recognition and Measurement'.

The following standards, amendments to standards and interpretations have been issued, but are not yet effective for the accounting periods beginning on or after 1 January 2009 and have not yet been adopted.

- Amendment HKAS 39, 'Financial Instruments: Recognition and Measurement' - embedded derivatives, effective for financial statements issued on or after 1 July 2009. The Group will apply the amendments to the accounting periods beginning on or after 1 July 2009.
- HKFRS 3 (revised), 'Business Combinations' and consequent amendments, HKAS 27, 'Consolidated and Separate Financial Statements', HKAS 28, 'Investments in Associates' and HKAS 31, 'Interests in Joint Ventures', effective for financial statements issued on or after 1 July 2009. Management is currently assessing the impact of these amendments on the accounting periods beginning on or after 1 July 2009. The Group will apply the amendments to consolidated financial statements from the accounting period beginning on or after 1 July 2010.

The revised standard concerning the acquisition of businesses, HKFRS 3 (revised), 'Business Combinations', will be applied from the financial statements for the period ending 31 December 2010. The Group has previously accounted for business combinations using the purchase method. The revised standard requires the use of the acquisition method, which requires the identification of the acquirer, determination of the acquisition date, and recognition and measurement of the identifiable intangible assets acquired. The Group will apply the acquisition method to business combinations from 1 January 2010.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

(continued)

**4 Operating Segments**

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
<b>Analysis of turnover</b>		
Sales	511,170	543,879
Cost of sales	57,818	55,452
Bad debts	15,018	14,590
License	25,010	21,320
Sales	40,378	97,468
	649,394	732,709

The Group's sales are based on the sales recorded by the effective sales department. The sales are recorded on a net basis.

The Group's sales are recorded on a net basis. The sales are recorded on a net basis. The sales are recorded on a net basis. The sales are recorded on a net basis. The sales are recorded on a net basis.

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## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

## 4 Operating Segments (continued)

As at the end of the reporting period, the Group has the following operating segments:

Six months ended 30 June 2009

	Apparel in China Mainland and Hong Kong SAR	Apparel in Singapore and Malaysia	Apparel in other countries	Property investment and development	Eliminations	Group
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Textiles	472,717	63,389	74	113,214		649,394
Leisurewear				3,822	(3,822)	
	472,717	63,389	74	117,036	(3,822)	649,394
Services	116,594	4,208	(1,725)	73,133		192,210
Unallocated						(22,315)
Refranchise fee						169,895
Inter-segment						(51,485)
Refranchise						118,410

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

(continued)

**4 Operating Segments (continued)**

	Six months ended 30 June 2008					
	Apparel in China Mainland and Hong Kong SAR HK\$'000	Apparel in Singapore and Malaysia HK\$'000	Apparel in other countries HK\$'000	Property investment and development HK\$'000	Eliminations HK\$'000	Group HK\$'000
Revenue	492,809	71,747	643	167,510		732,709
Interest expense				3,600	(3,600)	
	<u>492,809</u>	<u>71,747</u>	<u>643</u>	<u>171,110</u>	<u>(3,600)</u>	<u>732,709</u>
Share of associates	<u>149,069</u>	<u>8,275</u>	<u>(1,779)</u>	<u>127,390</u>		282,955
Unallocated						<u>(24,507)</u>
Revenue						258,448
Interest expense						<u>(75,909)</u>
Revenue						<u>182,539</u>

The accounting policies of the Group are consistent with those of the Group's accounting period ended 30 June 2007. The Group's accounting policies are consistent with those of the Group's accounting period ended 30 June 2007. The Group's accounting policies are consistent with those of the Group's accounting period ended 30 June 2007. The Group's accounting policies are consistent with those of the Group's accounting period ended 30 June 2007.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

## 5 Capital expenditure

	Leasehold land and land use rights <i>HK\$'000</i>	Property, plant and equipment <i>HK\$'000</i>	Investment properties <i>HK\$'000</i>	Total <i>HK\$'000</i>
Opening balance as at 1 January 2008	115,486	154,887	1,468,250	1,738,623
Additions		27,281	13,781	41,062
Disposals		(97)	(1,108)	(1,205)
Transfers	103	(4,426)	6,894	2,571
Amortisation and depreciation (Note 9)	(1,852)	(9,454)		(11,306)
Financial effects			37,167	37,167
Exchange differences	600	6,653	69,270	76,523
	<u>114,337</u>	<u>174,844</u>	<u>1,594,254</u>	<u>1,883,435</u>
Closing balance as at 30 June 2008	<u>114,337</u>	<u>174,844</u>	<u>1,594,254</u>	<u>1,883,435</u>
Additions		15,813	10,501	26,314
Disposals		(111)	(3,078)	(3,189)
Transfers	(1,024)	(279)	10,034	8,731
Amortisation and depreciation (Note 9)	(1,999)	(11,199)		(13,198)
Financial effects			7,205	7,205
Exchange differences		(229)		(229)
Exchange differences	145	(345)	16,759	16,559
	<u>111,459</u>	<u>178,494</u>	<u>1,635,675</u>	<u>1,925,628</u>
Closing balance as at 31 December 2008	<u>111,459</u>	<u>178,494</u>	<u>1,635,675</u>	<u>1,925,628</u>
Opening balance as at 1 January 2009	111,459	178,494	1,635,675	1,925,628
Additions		6,976	25	7,001
Disposals		(60)	(318)	(378)
Disposals at fair value		(34)		(34)
Transfers	55	306	810	1,171
Amortisation and depreciation (Note 9)	(2,073)	(12,054)		(14,127)
Financial effects			4,600	4,600
Exchange differences (Note 9)		(7,853)		(7,853)
Exchange differences	71	663	9,395	10,129
	<u>109,512</u>	<u>166,438</u>	<u>1,650,187</u>	<u>1,926,137</u>
Closing balance as at 30 June 2009	<u>109,512</u>	<u>166,438</u>	<u>1,650,187</u>	<u>1,926,137</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

## 6 Trade receivables

The Group's trade receivables are classified as follows, based on the period of credit terms. The carrying amount of trade receivables is measured at fair value:

	As at 30 June 2009 <i>HK\$'000</i>	As at 31 December 2008 <i>HK\$'000</i>
1-30 days	31,115	38,993
31-90 days	8,505	8,267
Over 90 days	320	275
	<u>39,940</u>	<u>47,535</u>

## 7 Share capital

	As at 30 June 2009 <i>HK\$'000</i>	As at 31 December 2008 <i>HK\$'000</i>
<i>Authorized:</i>		
1,200,000,000 (31 December 2008: 1,200,000,000) shares of HK\$0.10 each	<u>120,000</u>	<u>120,000</u>
<i>Issued and fully paid:</i>		
982,114,035 (31 December 2008: 982,114,035) shares of HK\$0.10 each	<u>98,211</u>	<u>98,211</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

## 8 Trade payables

Trade payables are classified as:

	As at 30 June 2009	As at 31 December 2008
	HK\$'000	HK\$'000
1-30 days	24,100	46,916
31-90 days	3,648	8,210
Over 90 days	2,638	897
	<u>30,386</u>	<u>56,023</u>

## 9 Expenses by nature

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Cost of sales	15,660	50,655
Cost of services	245,047	227,207
(Revenues) / sales - finance charges	(3,279)	7,925
Finance costs, net of income (Note 5)	7,853	
Director emoluments - remuneration	13,912	11,092
Administrative expenses (Note 5)	2,073	1,852
Director fees, net of income (Note 5)	12,054	9,454
Staff costs - directors' remuneration	87,689	94,387
Others	106,350	114,531
	<u>487,359</u>	<u>517,103</u>
Revenues:		
Costs	271,339	296,880
Service charges	116,378	116,176
Administrative expenses	99,642	104,047
	<u>487,359</u>	<u>517,103</u>

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

## 10 Income tax expense

H.K. profits are assessed at a rate of 16.5% (2008: 16.5%) and other assessable profits are assessed at a rate of 16.5% (2008: 16.5%).

PRC profits are assessed at a rate of 30% (2008: 60%) and other assessable profits are assessed at a rate of 30% (2008: 60%).

The amount of tax charged for the period is as follows:

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Corporate		
H.K.	76	
PRC	35,308	44,527
Other	881	755
Land	4,952	7,695
Deferred	10,268	22,932
Total	<u>51,485</u>	<u>75,909</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

(continued)

**11 Dividend**

	Six months ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
Interim dividend of 6.0 HK cents (2008: 6.0 HK cents) per share	58,706	58,927

A 2008 final dividend of 12.0 HK cents (2007 final: 8.0 HK cents) per share of HK\$117,412,000 was paid in June 2009 (2007 final: HK\$78,569,000).

At the meeting held on 2 September 2009, the Directors declared a dividend of 6.0 HK cents per share. The dividend will be effected as at the date of the meeting. The dividend will be effected as at the date of the meeting. The dividend will be effected as at the date of the meeting.

**12 Earnings per share**

The calculation of basic earnings per share is based on the following: the number of shares of HK\$118,013,000 (reduced 30 June 2008: HK\$182,150,000) and the weighted average number of 978,434,035 (reduced 30 June 2008: 982,114,035) shares outstanding during the period.

The calculation of diluted earnings per share is based on the following: the number of shares of HK\$118,013,000 (reduced 30 June 2008: HK\$182,150,000) and the weighted average number of 982,114,035 (reduced 30 June 2008: 982,114,035) shares outstanding during the period. The diluted earnings per share is based on the weighted average number of shares outstanding during the period.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

(continued)

**13 Commitments**

(a) Capital commitments

	As at 30 June 2009 HK\$'000	As at 31 December 2008 HK\$'000
Balance at the beginning of the period	1,181	1,362

(b) As at 30 June 2009, the Group had the following commitments in respect of the acquisition of subsidiaries:

	As at 30 June 2009 HK\$'000	As at 31 December 2008 HK\$'000
Receivables		
- trade receivables	89,509	94,301
- trade receivables and trade receivables	118,085	109,619
- trade receivables	33,488	28,547
	<u>241,082</u>	<u>232,467</u>
Payables		
- trade payables	9,129	11,018
- trade payables and trade payables	6,509	5,064
	<u>15,638</u>	<u>16,082</u>

Payments in respect of the acquisition of subsidiaries are expected to be completed within the next 12 months.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

(continued)

**14 Related party transactions**

The Company is controlled by Mr. Tan Fa Hai (Chairman, Director, Managing Director, and Member of the Board of Directors), Mr. Tan Hui Chuan (Managing Director), Mr. Tan Hui Chuan (Chairman of the Board of Directors), and Mr. Tan Hui Chuan (Member of the Board of Directors). The Company is controlled by Mr. Tan Fa Hai (Chairman, Director, Managing Director, and Member of the Board of Directors), Mr. Tan Hui Chuan (Managing Director), Mr. Tan Hui Chuan (Chairman of the Board of Directors), and Mr. Tan Hui Chuan (Member of the Board of Directors). The Company is controlled by Mr. Tan Fa Hai (Chairman, Director, Managing Director, and Member of the Board of Directors), Mr. Tan Hui Chuan (Managing Director), Mr. Tan Hui Chuan (Chairman of the Board of Directors), and Mr. Tan Hui Chuan (Member of the Board of Directors).

The following transactions occurred during the period:

	Note	Six months ended	
		30 June 2009	30 June 2008
		HK\$'000	HK\$'000
(a) Sales:			
Revenue from sales of products	(i)	2,085	1,626
Revenue from sales of services	(ii)	598	472
(b) Purchases:			
Raw materials	(iii) and (iv)	280	410
Revenue from sales of products	(v)	74	

Notes:

- (i) Revenue from sales of products from Gao Wei Trade Centre Construction Limited ('GWTCCL') for the period ended 30 June 2009. Gao Wei Trade Centre Construction Limited ('GWTC') is a wholly-owned subsidiary of Gao Wei Trade Centre Holdings Limited. Revenue from sales of products from GWTCCL and GWTC for the period ended 30 June 2009 is \$2,085,000 and \$598,000 respectively. Revenue from sales of products from GWTCCL and GWTC for the period ended 30 June 2008 is \$1,626,000 and \$472,000 respectively.
- (ii) Revenue from sales of services from Gao Wei Trade Centre Construction Limited ('GWTCCL') for the period ended 30 June 2009. Gao Wei Trade Centre Construction Limited ('GWTC') is a wholly-owned subsidiary of Gao Wei Trade Centre Holdings Limited. Revenue from sales of services from GWTCCL and GWTC for the period ended 30 June 2009 is \$598,000 and \$472,000 respectively. Revenue from sales of services from GWTCCL and GWTC for the period ended 30 June 2008 is \$472,000 and \$472,000 respectively.
- (iii) and (iv) Revenue from sales of raw materials from Gao Wei Trade Centre Construction Limited ('GWTCCL') for the period ended 30 June 2009. Gao Wei Trade Centre Construction Limited ('GWTC') is a wholly-owned subsidiary of Gao Wei Trade Centre Holdings Limited. Revenue from sales of raw materials from GWTCCL and GWTC for the period ended 30 June 2009 is \$280,000 and \$280,000 respectively. Revenue from sales of raw materials from GWTCCL and GWTC for the period ended 30 June 2008 is \$410,000 and \$410,000 respectively.
- (v) Revenue from sales of products from Gao Wei Trade Centre Construction Limited ('GWTCCL') for the period ended 30 June 2009. Gao Wei Trade Centre Construction Limited ('GWTC') is a wholly-owned subsidiary of Gao Wei Trade Centre Holdings Limited. Revenue from sales of products from GWTCCL and GWTC for the period ended 30 June 2009 is \$74,000 and \$74,000 respectively. Revenue from sales of products from GWTCCL and GWTC for the period ended 30 June 2008 is \$74,000 and \$74,000 respectively.

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

(continued)

## 14 Related party transactions (continued)

Notes: (continued)

- ( ) B d . , a a e e f e e e e c e e d d e . i . a c . a . c a . a . n . G W T C C L f i . e . i . s . . f b d . , a a e e a e e c e f i a b o . e e e a G d . D a N e i . C e i e . M . T a . C H . a d i e c b e f c a . e e . G W T C C L a i e a a a i a i a e e d e f i e d . c . a . f G W T C C L . D . T a . H . C H , M a d a . W . L e K a a d M . T a . C M . , R c . a e . e e e d . e e i a s a c . a M . T a . C H . a e . f D . T a . H . C H a d M a d a . W . L e K a a , a d a k i e f M . T a . C M . , R c .
- ( ) E . a C a . a L , e d a c e d a f a c a a d e i . e . a d i . e . e d f i e c h i s f e e . a f e e f H K S \$ 1 6 0 , 0 0 0 ( 2 0 0 8 : H K S \$ 3 5 0 , 0 0 0 ) a a d b i e C . a . M . N M . W a , C h e , a . . e e c i e D i e c i f i e C . a . a d i e a a . d i e c i f , a d a i . c . a a e e d e e . E . a C a . a L , e d .
- ( ) R f e e . a f e e f H K S \$ 1 2 0 , 0 0 0 ( 2 0 0 8 : H K S \$ 6 0 , 0 0 0 ) a a a d S . e L , e d d i . e . e d . e i d . e c e e f i e C . a . a . e . e . M . N M . W a , C h e , a . . e e c i e D i e c i f i e C . a . a d i e c i f S . e L , e d .
- ( ) R e a e e e a a d d e . i . a c . a . c a . a . G d S a e R . e L , e d ('G S P L') . e e c f a e . c a e d . H . K . A . D . T a . H . C H , M a d a . W . L e K a a d M . T a . C M . , R c . a e b e f c a . e e . a d a d i e c e f G S P L , e e e e d . e i a s a c .
- (c) P a d e d b a a e e . f i . a . e . f f . a c a a d e i e e

	As at 30 June 2009 HK\$'000	As at 30 June 2008 HK\$'000
Pa a b e a i e a e d a e : E . a C a . a L , e d	160	350

## SUPPLEMENTARY INFORMATION

### INTERIM DIVIDEND

The Directors have declared a final dividend of 6.0 HK cents (2008: 6.0 HK cents) for the ended 31 December 2009, amounting to HK\$58,706,000 (2008: HK\$58,927,000), which is payable on 6 October 2009 to the directors and shareholders registered in the Register of Members as at 25 September 2009.

### CLOSURE OF REGISTER OF MEMBER

For the purpose of determining the entitlement to the dividend, the Register of Members of the Company will be closed on 24 September 2009 and 25 September 2009 (days), during which no transfer will be effected.

In addition, a final shareholders' meeting will be held, at 4:30 p.m. on Wednesday, 23 September 2009 at the Company's Registered Office, 1717-1716, 17th Floor, Hee Kee Centre, 183 Queen's Road East, Wanchai, Hong Kong.

### PURCHASE, SALE OR REDEMPTION OF SHARES

The Company did not purchase, sell or redeem any shares during the period. The Company is not a listed issuer.

### SHARE OPTIONS

A Share Award Scheme of the Company was established on 21 March 2002, which is a discretionary share award scheme (the "Share Award Scheme"). The Share Award Scheme is designed to attract and retain the services of the employees of the Company and to reward and encourage the employees.

During the period ended 30 June 2009, no share options were exercised under the Share Award Scheme.

### SHARE AWARD SCHEME

On 17 July 2008, the Board adopted the Share Award Scheme. The Scheme is designed to attract and retain the services of the employees of the Company and to reward and encourage the employees.

Pursuant to the Share Award Scheme, the Company has awarded share options to the employees of the Company. The share options are exercisable at the discretion of the Board.

**SUPPLEMENTARY INFORMATION** (Continued)

**SHARE AWARD SCHEME** (Continued)

During the year ended 30 June 2009, the Board of Directors had been authorised to award 3,680,000 shares under the Share Award Scheme. As at 30 June 2009, 3,680,000 shares had been awarded to the directors and employees. The following table shows the details of the Share Award Scheme as at the year end.

Date of grant	Awarded sum HK\$	Number of shares			Date
		Purchased	Allocated and awarded		
17 July 2008	6,017,000	3,680,000	1,840,000	31 December 2009	
			1,104,000	30 June 2010	
			736,000	10 September 2010	

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

As at 30 June 2009, the interests of each Director and Chief Executive are as follows: The directors and debenture holders of the Company are as set out in the Memorandum of Association and Articles of Association (the "Memorandum and Articles") of the Company. The Securities and Futures Ordinance (the "SFO"), as amended, is applicable to the directors and chief executives of the Company. The Company has 352 million ordinary shares of HK\$0.10 each (the "Shares") in issue. The Memorandum and Articles of Association of the Company provide that the directors and chief executives of the Company shall not be deemed to have any interest in the Shares or any underlying shares or debentures of the Company or any associated corporation, unless they are interested in the Shares or any underlying shares or debentures of the Company or any associated corporation in the manner set out in the Memorandum and Articles of Association of the Company.

Each share of HK\$0.10 each of the Company as at 30 June 2009

Directors		Number of shares held			Percentage to total issued share capital	
		Personal interests	Family interests (Note 1)	Other interests (Note 2)		Total
Ta H. C.	L. S.		1,210,000	613,034,750	614,244,750	62.54%
Ta M. R.	L. S.	1,404,000		613,034,750	614,438,750	62.56%
W. Le K. a	L. S.	1,210,000		613,034,750	614,244,750	62.54%
N M. W.	L. S.	1,800,000			1,800,000	0.18%



**SUPPLEMENTARY INFORMATION** (Continued)

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

As at 30 June 2009, the interests of the substantial shareholders are disclosed as follows: 336 of the XV of the SFO. The substantial shareholders as at 30 June 2009, the Company had been notified of the interests of the substantial shareholders' interests as disclosed in the table below. 5% of the Company's issued shares. The interests are added to the disclosed interests of the Director and Chief Executive.

Name of holder of securities	Type of securities	Number of shares held	Percentage to total issued share capital
H. Cheung Ma a e, e L, ed (Note)	Ordinary shares of HK\$0.10 each	613,034,750	62.42%
T. Gade H d, s L, ed (Note)	Ordinary shares of HK\$0.10 each	613,034,750	62.42%
S, d D, s L, ed (Note)	Ordinary shares of HK\$0.10 each	160,616,000	16.35%
T a H, C, C, s (Ma a e, e ) L, ed	Ordinary shares of HK\$0.10 each	53,880,750	5.49%

Note:

H. Cheung Ma a e, e L, ed a s e e f T a H, C, C, s (2007) Fa, e S e e, e, e d a f t e s s e d, s e c a, a f T. Gade H d, s L, ed (T. Gade). T. Gade h e d 613,034,750, s e e e C, e a c c d, 160,616,000, s e e d b S, d D, s L, ed, a s e e d b d a f T. Gade.

**CORPORATE GOVERNANCE**

The Company has complied with the Code of Best Practice in Corporate Governance set out in the Appendix 14 of the Listing Rules. The Company has adopted 30 June 2009 as the financial reporting date of the Director of the Company. The Company has been advised by a solicitor to be the independent non-executive Director of the Company. The Company has also been advised by the Audit Committee of the Company.

The Company has adopted the Model Code on Securities Transactions for Directors and Senior Management of the Company. The Company has adopted 30 June 2009 as the reporting date of the Director of the Company. The Company has also been advised by the Audit Committee of the Company.

