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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)

**ANNOUNCEMENT – INSIDE INFORMATION
UPDATE ON SURRENDER OF PROPERTY IN SHANGHAI, THE PRC**

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Reference is made to the announcements of the Company dated 19 December 2012 and 26 April 2013 respectively (the “Announcements”) in relation to, amongst other things, the surrender to 上海偉信置業發展有限公司 of property in Shanghai, the People’s Republic of China. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that Goldlion China has reached settlement with the Overstaying Tenant and Shanghai Weixin on 9 June 2014 in respect of the surrender of Block No.9 (the only remaining block of the Property) to Shanghai Weixin. On 9 June 2014, the possession of Block No. 9 of the Property (and therefore, the whole Property) has been delivered to Shanghai Weixin.

Pursuant to the Compensation Agreement, the balance of RMB42,920,041 (equivalent to approximately HK\$53,220,851) shall be payable to Goldlion China within 30 working days from the date of payment application lodged by Goldlion China, which application should be lodged upon full delivery of vacant possession of the Property. Accordingly, on 9 June 2014, Goldlion China has served a payment application to Shanghai Weixin for payment of RMB42,920,041.

Based on the audited consolidated accounts of the Company for the financial year ended 31 December 2013, the net carrying value of the Property as at 31 December 2013 was approximately RMB48,663,000 (equivalent to approximately HK\$60,342,000). It is estimated that the Group will record an unaudited gain before tax of RMB72,257,000 (equivalent to approximately HK\$89,599,000) upon completion of the Surrender. Such unaudited gain before tax was calculated based on the aggregate compensation received or receivable by Goldlion China under the Compensation Agreement net of the net carrying value of the Property as at 31 December 2013 and the estimated costs and expenses relating to the Surrender. The actual gain that the Group is able to realise will depend on the actual carrying amount of the Property on the date of completion of the Surrender and the actual costs and expenses relating to the Surrender. Upon timely payment of the balance of the total compensation by Shanghai Weixin, the gain is expected to be recognized in the financial year ending 31 December 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 9 June 2014

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.

Unless otherwise specified, the Renminbi amounts shown in this announcement have been translated into HK\$ at an exchange rate of RMB1.00 = HK\$1.24. Such translation should not be construed as a representation that the Renminbi amounts have been, could have been or could be converted into HK\$, as the case may be, at this or any other rates or at all.