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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
AMENDMENTS TO THE LEASE**

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 24 June 2013 in relation to the continuing connected transaction under the Lease. On 1 July 2014, GGCPPL as landlord and GWTCCL as tenant entered into the Lease Amendment Form to amend certain terms of the Lease.

GWTCCL is indirectly owned as to 75% by Mr. Tsang. Mr. Tsang is a son of Dr. Tsang Hin Chi (the Chairman of the Company) and Madam Wong Lei Kuan (an executive Director), and a brother of Mr. Tsang Chi Ming, Ricky (the Deputy Chairman and Chief Executive Officer of the Company). 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 entering into of the Lease Amendment Form and the Amended Transaction constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As disclosed in the Announcement, the continuing connected transaction under the Lease was subject to reporting, announcement and annual review requirements but was exempt from the independent shareholders' approval requirements under Listing Rules. As the Amended Transaction will be conducted on normal commercial terms or better where all of the applicable percentage ratios in respect of each of the annual caps therefor are less than 0.1%, the Amended Transaction is a *de minimis* transaction under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will therefore be exempt from reporting and conducting annual review of the Amended Transaction for the year ending 31 December 2015, but the Company will nevertheless continue to comply with the reporting and annual review requirements in respect of the transactions conducted under the Lease and the Amended Lease for the year ending 31 December 2014.

BACKGROUND

This announcement is made pursuant to Rule 14A.54 of the Listing Rules.

Reference is made to the announcement of the Company dated 24 June 2013 in relation to the continuing connected transaction under the Lease.

On 24 June 2013, GGCPL (an indirect wholly-owned subsidiary of the Company) as landlord and GWTCCL as tenant entered into the Lease for leasing of the Leased Premises for commercial use for a fixed term of two years commencing on 15 July 2013 and expiring on 14 July 2015. The monthly rental and building management fee payable by GWTCCL to GGCPL pursuant to the Lease were RMB90,900 and RMB38,148 respectively. The annual caps under the Lease for the years ending 31 December 2014 and 31 December 2015 (for 1 January 2015 to 14 July 2015), as announced in the Announcement, were RMB1,549,000 and RMB 833,000 respectively.

AMENDMENTS TO THE LEASE

On 1 July 2014, GGCPL as landlord and GWTCCL as tenant entered into the Lease Amendment Form, which took effect immediately upon signing, to amend certain terms of the Lease as set out below.

The location of the leased premises is amended from Units 01 to 03 under the Lease, to Units 01 to 02 under the Amended Lease, on the 3rd Floor of Goldlion Digital Network Centre, No. 138 Tiyu Dong Road, Tianhe District, Guangzhou, Guangdong Province, PRC. The area leased by GWTCCL is reduced from a total gross floor area of approximately 1,156 square meters under the Lease to approximately 648 square meters under the Amended Lease.

The monthly rental and building management fee under the Amended Lease are RMB50,923 and RMB21,371 respectively, each of which is calculated with reference to the existing monthly rental or building management fee (as the case may be) payable by GWTCCL to GGCPL under the Lease as apportioned by the area leased under the Amended Lease.

The aggregate amount of deposit payable by GWTCCL to GGCPL under the Amended Lease is RMB151,064 (the “**Amended Deposit**”), comprising of the following: (i) the rental deposit of RMB101,846; (ii) the management deposit of RMB42,742; and (iii) the electricity deposit of RMB6,476. An amount equivalent to the Amended Deposit was carried forward from the existing deposit paid by GWTCCL to GGCPL under the Lease and was credited as deposit received under the Amended Lease.

REVISED ANNUAL CAPS UNDER THE AMENDED LEASE

As a result of the amendments made to the Lease mentioned above, the annual caps under the Lease as announced in the Announcement are revised and the annual caps for the Amended Transaction for the year ending 31 December 2014 and the period from 1 January 2015 to 14 July 2015 are as follows:

	Year ending 31 December 2014	Period from 1 January 2015 to 14 July 2015
Amount (RMB)	1,208,000	467,000

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

REASONS FOR AND BENEFITS OF THE AMENDMENTS TO THE LEASE

The section of the Leased Premises surrendered by GWTCCL will be leased to an existing tenant (a third party independent of the Company) of the Goldlion Digital Network Centre, who has requested to rent the said section. The rental income receivable by the Group for the said section will increase as a result of the increase in the prevailing market rate. Therefore, by amending the area leased to GWTCCL, the Group will be able to accommodate the adjusted business needs of the existing tenants and to increase its rental income.

The Directors (including the independent non-executive Directors) are of the view that the Amended Transaction is conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) consider that the Lease Amendment Form was entered into after arm's length negotiations and on normal commercial terms, and the terms of the Lease Amendment Form and the Amended Transactions and the annual caps therefor are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

GWTCCL is indirectly owned as to 75% by Mr. Tsang. Mr. Tsang is a son of Dr. Tsang Hin Chi (the Chairman of the Company) and Madam Wong Lei Kuan (an executive Director), and a brother of Mr. Tsang Chi Ming, Ricky (the Deputy Chairman and Chief Executive Officer of the Company). 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 entering into of the Lease Amendment Form and the Amended Transaction constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As disclosed in the Announcement, the continuing connected transaction under the Lease was subject to reporting, announcement and annual review requirements but was exempt from the independent shareholders' approval requirements under Listing Rules. As the Amended Transaction will be conducted on normal commercial terms or better where all of the applicable percentage ratios in respect of each of the annual caps therefor are less than 0.1%, the Amended Transaction is a *de minimis* transaction under Rule 14A.76(1) of the Listing Rules and is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will therefore be exempt from reporting and conducting annual review of the Amended Transaction for the year ending 31 December 2015, but the Company will nevertheless continue to comply with the reporting and annual review requirements in respect of the transactions conducted under the Lease and the Amended Lease for the year ending 31 December 2014.

As direct family members of Mr. Tsang, Dr. Tsang Hin Chi, Madam Wong Lei Kuan and Mr. Tsang Chi Ming, Ricky were deemed to be materially interested in the Amended Transaction. Accordingly, they have abstained from voting on the relevant resolutions of the Board approving the same.

INFORMATION ABOUT THE PARTIES

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 Leased Premises are held by the Group for the purpose of earning rental income.

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

DEFINITIONS

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

“Amended Lease”	the Lease as amended and supplemented by the Lease Amendment Form;
“Amended Transaction”	the leasing of Units 01 to 02 on the 3rd Floor at Goldlion Digital Network Centre, No. 138 Tiyu Dong Road, Tianhe District, Guangzhou, Guangdong Province, PRC, by the Group to GWTCCL, as contemplated under the Amended Lease;
“Announcement”	the announcement of the Company dated 24 June 2013 in relation to the continuing connected transaction under the Lease;
“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;

“Director(s)”	the director(s) of the Company;
“GGCPL”	廣州金利來城市房產有限公司 (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;
“GWTCCCL”	廣州世貿中心俱樂部有限公司 (Guangzhou World Trade Center Club Company Limited*), a company incorporated in the PRC with limited liability and indirectly owned as to 75% by Mr. Tsang as at the date of this announcement;
“Lease”	the lease dated 24 June 2013 entered into between GWTCCCL as tenant and GGCPL as landlord in respect of the leasing of the Leased Premises, further details of which were set out in the Announcement;
“Lease Amendment Form”	the lease amendment form dated 1 July 2014 entered into between GWTCCCL as tenant and GGCPL as landlord, to amend certain terms contained in the Lease;
“Leased Premises”	Units 01 to 03 on the 3rd Floor at Goldlion Digital Network Centre (金利來數碼網絡大廈), No. 138 Tiyyu 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 of Hong Kong Limited;
“Mr. Tsang”	Mr. Tsang Chi Hung;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the ordinary share(s) of the Company; and
“%”	per cent.

By order of the Board
Kam Yiu Kwok
Company Secretary

Hong Kong, 1 July 2014

** For identification purpose only*

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.