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GOLIK HOLDINGS LIMITED

高力集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1118)

**ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER, 2012**

The board of directors (the “Board”) of Golik Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2012 together with the comparative figures for the year ended 31st December, 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31st December,	
		2012	2011
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	2,916,502	2,826,426
Cost of sales		(2,564,895)	(2,501,334)
Gross profit		351,607	325,092
Other income		19,673	23,995
Interest income		2,257	1,452
Selling and distribution costs		(82,748)	(70,783)
Administrative expenses		(159,566)	(145,764)
Other gains and losses	4	(7,589)	(3,490)
Finance costs	5	(29,574)	(22,217)
Share of results of jointly controlled entities		(99)	(81)
Profit before taxation		93,961	108,204
Income taxes	6	(9,045)	(7,830)
Profit for the year	7	84,916	100,374
Other comprehensive income			
Exchange difference arising from the translation of foreign operations		(120)	13,307
Fair value gain on available-for-sale investment		8,320	–
Total comprehensive income for the year		93,116	113,681

* For identification purposes only

		Year ended 31st December,	
		2012	2011
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to:			
Shareholders of the Company		81,748	101,310
Non-controlling interests		3,168	(936)
		<u>84,916</u>	<u>100,374</u>
Total comprehensive income attributable to:			
Shareholders of the Company		89,952	113,361
Non-controlling interests		3,164	320
		<u>93,116</u>	<u>113,681</u>
Earnings per share	9		
Basic and diluted		<u>HK14.55 cents</u>	<u>HK18.03 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31st December, 2012	As at 31st December, 2011
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current Assets			
Goodwill		–	–
Investment properties		–	3,670
Property, plant and equipment		344,220	354,086
Prepaid lease payments		16,678	17,164
Interests in jointly controlled entities		2,696	2,795
Available-for-sale investment		20,800	–
Long-term receivables		229	479
Deposits placed at insurance companies		8,877	8,059
Rental and other deposits		1,100	1,759
Deposits paid for acquisition of property, plant and equipment		5,229	7,492
Amounts due from jointly controlled entities		6,952	6,947
Pledged bank deposits		1,509	1,509
		408,290	403,960
Current Assets			
Inventories		472,894	577,377
Trade and other receivables	10	602,485	670,408
Prepaid lease payments		483	455
Income tax recoverable		145	289
Derivative financial instruments		–	91
Pledged bank deposits		42,637	864
Bank balances and cash		373,466	351,051
		1,492,110	1,600,535
Current Liabilities			
Trade and other payables	11	304,360	221,009
Amounts due to non-controlling shareholders		26,380	29,159
Income tax payable		8,483	5,852
Bank borrowings		670,019	922,853
Obligations under finance leases		228	472
Obligation arising from a put option to non-controlling shareholders		31,050	29,841
Derivative financial instruments		12,395	11,091
		1,052,915	1,220,277
Net Current Assets		439,195	380,258
		847,485	784,218

	As at 31st December, 2012 <i>HK\$'000</i>	As at 31st December, 2011 <i>HK\$'000</i>
Capital and Reserves		
Share capital	56,192	56,192
Share premium and reserves	738,534	672,124
	<hr/>	<hr/>
Equity attributable to shareholders of the Company	794,726	728,316
Non-controlling interests	22,255	19,091
	<hr/>	<hr/>
Total Equity	816,981	747,407
	<hr/>	<hr/>
Non-current Liabilities		
Bank borrowings	14,262	21,925
Deferred tax liabilities	16,026	14,809
Obligations under finance leases	216	77
	<hr/>	<hr/>
	30,504	36,811
	<hr/>	<hr/>
	847,485	784,218
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Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange of goods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA.

Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets; and
Amendments to HKFRS 7	Financial Instruments: Disclosures - Transfers of Financial Assets

Amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*

In the current year, the Group has applied, for the first time, amendments to HKFRSs issued by the HKICPA that are mandatorily effective for the current year.

Under the amendments to HKAS 12 *Deferred Tax: Recovery of Underlying Assets*, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment property using the fair value model. As a result of the application of the amendments to HKAS 12, the directors reviewed the Group’s investment property and concluded that the Group’s investment property is held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, and that the presumption set out in the amendments to HKAS 12 is rebutted. As a result, the Group’s investment property that is measured using the fair value model has been presumed to be recovered through use. The amendments to HKAS 12 have been applied retrospectively, the application of the amendments has had no significant impact on the consolidated financial statements of the Group as at 1st January, 2011, 31st December, 2011 and 31st December, 2012 during which the investment property was transferred to property, plant and equipment.

The application of other amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs Amendments to HKFRS 7	Annual Improvements to HKFRSs 2009 - 2011 Cycle ¹ Disclosures - Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁴
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ²
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine ¹

¹ Effective for annual periods beginning on or after 1st January, 2013.

² Effective for annual periods beginning on or after 1st January, 2014.

³ Effective for annual periods beginning on or after 1st January, 2015.

⁴ Effective for annual periods beginning on or after 1st July, 2012.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

Information reported to the Chairman and Vice Chairman of the Group, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold.

Specifically, the Group's operating and reportable segments under HKFRS 8 *Operating Segments* are as follows:

1. Metal products
2. Building construction materials

In addition, the Group's operations relating to plastic products and printing materials are aggregated and presented as other operations.

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31st December, 2012

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	1,263,003	1,455,341	2,718,344	198,158	-	2,916,502
Inter-segment sales	12,847	2,221	15,068	-	(15,068)	-
Total	<u>1,275,850</u>	<u>1,457,562</u>	<u>2,733,412</u>	<u>198,158</u>	<u>(15,068)</u>	<u>2,916,502</u>
SEGMENT RESULT	<u>48,671</u>	<u>89,951</u>	<u>138,622</u>	<u>(9,026)</u>	<u>(36)</u>	<u>129,560</u>
Unallocated other income						6,039
Unallocated corporate expenses						(23,141)
Fair value loss on put option derivative						(1,304)
Gain on disposal of unlisted equity security investment						12,480
Finance costs						(29,574)
Share of results of jointly controlled entities						(99)
Profit before taxation						<u>93,961</u>

For the year ended 31st December, 2011

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	1,259,089	1,355,804	2,614,893	211,533	-	2,826,426
Inter-segment sales	13,777	149	13,926	-	(13,926)	-
Total	<u>1,272,866</u>	<u>1,355,953</u>	<u>2,628,819</u>	<u>211,533</u>	<u>(13,926)</u>	<u>2,826,426</u>
SEGMENT RESULT	<u>57,712</u>	<u>105,134</u>	<u>162,846</u>	<u>(14,096)</u>	<u>(126)</u>	<u>148,624</u>
Unallocated other income						5,809
Unallocated corporate expenses						(13,630)
Fair value loss on put option derivative						(11,091)
Increase in fair value of investment properties						790
Finance costs						(22,217)
Share of results of jointly controlled entities						(81)
Profit before taxation						<u>108,204</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the gross profit (loss) generated/suffered from each segment, net of selling and distribution costs and administrative expenses directly attributable to each segment without allocation of certain other income, corporate expenses, fair value loss on put option derivative, gain on disposal of unlisted equity security investment, increase in fair value of investment properties, finance costs and share of results of jointly controlled entities. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at cost or cost plus a percentage of mark-up.

Other segment information

The following other segment information is included in the measure of segment profit or loss:

For the year ended 31st December, 2012

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation	23,036	9,276	32,312	1,914	1,880	36,106
Amortisation of prepaid lease payments	455	-	455	-	-	455
Allowance for bad and doubtful debts, net	2,896	11,698	14,594	504	-	15,098
Write down (reversal of write down) of inventories	67	14,000	14,067	(12)	-	14,055
Gain on disposal of property, plant and equipment	(94)	(1,682)	(1,776)	(10)	-	(1,786)
Impairment loss on property, plant and equipment	-	-	-	5,733	-	5,733
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,733</u>	<u>-</u>	<u>5,733</u>

For the year ended 31st December, 2011

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation	17,522	10,741	28,263	4,077	1,724	34,064
Amortisation of prepaid lease payments	445	-	445	-	-	445
Reversal of allowance for bad and doubtful debts, net	(5,546)	(5,711)	(11,257)	(720)	-	(11,977)
Reversal of write down of inventories	(2,060)	(12,750)	(14,810)	(155)	-	(14,965)
Loss (gain) on disposal of property, plant and equipment	981	(2,759)	(1,778)	35	-	(1,743)
Impairment loss on property, plant and equipment	-	-	-	12,000	-	12,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Metal products	1,263,003	1,259,089
Building construction materials		
– Concrete products	170,830	202,813
– Construction steel and other products	1,284,511	1,152,991
Others	198,158	211,533
	<u>2,916,502</u>	<u>2,826,426</u>

Geographical information

The Group operates in two principal geographical areas, including Hong Kong and other regions in the People's Republic of China (the "PRC").

The Group's revenue from external customers by geographical location of the customers and information about its non-current assets other than financial instruments by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets other than financial instruments	
	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>	As at 31st December, 2012 <i>HK\$'000</i>	As at 31st December, 2011 <i>HK\$'000</i>
Hong Kong	1,675,150	1,786,492	87,741	89,045
Other regions in the PRC	1,011,935	963,315	282,182	297,921
Macau	48,901	16,728	–	–
Australia	29,256	21,616	–	–
Others	151,260	38,275	–	–
	<u>2,916,502</u>	<u>2,826,426</u>	<u>369,923</u>	<u>386,966</u>

No customer has contributed over 10% of the total revenue of the Group for both years.

No segment assets and liabilities are presented as the information is not reportable to the chief operating decision makers in the resource allocation and assessment of performance.

4. OTHER GAINS AND LOSSES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Change in fair value of foreign currency forward contracts derivative	(344)	(803)
Fair value loss on put option derivative	1,304	11,091
Gain on disposal of property, plant and equipment	(1,786)	(1,743)
Impairment losses on property, plant and equipment	5,733	12,000
Increase in fair value of investment properties	–	(790)
Net exchange loss (gain)	64	(4,288)
Allowance for bad and doubtful debts	15,308	10,699
Reversal of allowance for bad and doubtful debts	(210)	(22,676)
Gain on disposal of unlisted equity security investment	(12,480)	–
	<u>7,589</u>	<u>3,490</u>

5. FINANCE COSTS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interest on:		
Bank borrowings wholly repayable within five years	28,343	22,181
Imputed interest arising from a put option granted to non-controlling shareholders	1,209	–
Finance leases	22	36
	<u>29,574</u>	<u>22,217</u>

6. INCOME TAXES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
The charge comprises:		
Current year		
Hong Kong	131	1,147
Other regions in the PRC	7,226	5,974
	<u>7,357</u>	<u>7,121</u>
Underprovision (overprovision) in prior years		
Hong Kong	478	–
Other regions in the PRC	(7)	(446)
	<u>471</u>	<u>(446)</u>
Deferred tax	<u>1,217</u>	<u>1,155</u>
	<u>9,045</u>	<u>7,830</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards. For certain Group’s subsidiaries, the enterprise income tax rate is progressively increasing from 15% to 18%, 20%, 22%, 24% and 25% from 2008 to 2012 respectively. According to the Circular of the State Council on the Implementation of Transitional Preferential Policies for Enterprise Income Tax (Guofa [2007] No. 39), the tax exemption and deduction for the foreign investment enterprises is still applicable until the end of the five-year transitional period under the EIT Law.

The PRC Enterprise Income Tax Law requires withholding tax to be levied on distribution of profits earned by a PRC entity to a Hong Kong resident company (which is the beneficial owner of the dividend received) for profits generated after 1st January, 2008 at the rate of 5%. As at 31st December, 2012 and 31st December, 2011, deferred tax was provided for in full in respect of the temporary differences attributable to such profits.

7. PROFIT FOR THE YEAR

	2012 <i>HK\$’000</i>	2011 <i>HK\$’000</i>
Profit for the year has been arrived at after charging:		
Amortisation of prepaid lease payments	455	445
Depreciation	36,106	34,064

8. DIVIDEND

	2012 <i>HK\$’000</i>	2011 <i>HK\$’000</i>
Dividends paid:		
2012 Interim – HK1.5 cents (2011: HK1.2 cents) per ordinary share	8,429	6,743
2011 Final – HK2.8 cents (2011: 2010 Final – HK2.6 cents) per ordinary share	15,734	14,610
	24,163	21,353
Dividend proposed:		
Final dividend proposed for the year – HK2.5 cents (2011: HK2.8 cents) per ordinary share	14,048	15,734

The directors recommend the payment of a final dividend of HK2.5 cents per share for the year ended 31st December, 2012 which is subject to approval by the shareholders at the annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the shareholders of the Company for the year and 561,922,500 (2011: 561,922,500) number of ordinary shares in issue during the year.

The calculation of the diluted earnings per share for the year ended 31st December, 2012 and 2011 does not assume the exercise of the written put option on shares of a subsidiary as it is anti-dilutive.

10. TRADE AND OTHER RECEIVABLES

Other than the cash sales, the Group allows credit periods ranging from 30 to 90 days to its customers.

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts, with an aged analysis presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition date as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 – 30 days	254,543	295,429
31 – 60 days	173,530	147,340
61 – 90 days	60,867	82,989
91 – 120 days	30,515	47,691
More than 120 days	24,825	44,280
	<hr/> 544,280 <hr/>	<hr/> 617,729 <hr/>

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an aged analysis presented based on the invoice date at the end of the reporting period as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 – 30 days	96,227	51,859
31 – 60 days	34,401	21,487
61 – 90 days	19,310	10,817
91 – 120 days	13,781	9,307
More than 120 days	22,988	9,825
	<hr/> 186,707 <hr/>	<hr/> 103,295 <hr/>

BUSINESS REVIEW

Over the course of the year, the Group's two major core businesses were metal products and building construction materials.

In 2012, uncertainties persisted over the world's economy as the sovereign debt crisis in Europe deepened its economic woes, sustained economic growth in the United States remained delicate, and new challenges were posed to developed nations in this extended period of subdued economic growth. Moreover, the growth of emerging economies, including China, also exhibited signs of deceleration. Demand weaknesses in both export and domestic markets resulted in the Chinese economy hitting a low point in the second quarter despite relative stability.

Under such difficult market conditions, the Group's businesses, and in particular elemental operations in the value chain of manufacturers of export-bound products continued to endure heavy stress throughout the year.

The building construction materials business in Hong Kong continued to benefit from the progressive upturn in the industry where performance remained relatively stable. However, project delays and slowdowns in the past year meant the anticipated start of the peak cycle in the construction industry had been deferred, therefore partly affecting contributions from our building construction materials business.

The Group's result of the past year could not maintain the steady growth momentum achieved over the past years as a result of the aforementioned unfavourable factors and conditions.

For the year ended 31st December, 2012, the Group's revenue was HK\$2,916,502,000, an increase of approximately 3% compared to last year.

After the deduction of non-controlling interests, profit attributable to the shareholders of the Company for the year was HK\$81,748,000, a decrease of approximately 19% compared to the same period last year.

The Board of Directors has recommended a final dividend of HK2.5 cents per share. Together with the paid interim dividend of HK1.5 cents per share, total dividends for the year will amount to HK4 cents per share.

Metal Products

The business comprises mainly of steel coil processing, steel wire ropes and other steel wire products processing and manufacturing. Revenue for the year was HK\$1,275,850,000, comparable against last year. Profit before interest and taxation was HK\$48,671,000, a decrease of approximately 16% over last year.

Long-term weakness in export markets and rising costs had created a very difficult operating environment for services of metal products in export manufacturing industries. More so, the steel coil processing business is clearly affected and performance for the year was unsatisfactory.

Despite similar challenges of rising costs and increased market competition, elevator wire rope products that are supplied predominantly to the domestic market in China achieved double-digit growth year-on-year in revenue and profitability terms — due in part to our leading market position, our excellent brand reputation and sound management.

Right now, the Group's Mainland manufacturing operations are faced with broad overcapacity in participating markets, intensified competition and downward pressure on prices all at the same time when upward pressure continues on labour costs and other overheads. A number of traditional manufacturing industries are contracting and structural transformation is imminently necessary. To avoid the present predicament, our strategic focus towards high value-add products will realistically require time and will go through a process of transformation and upgrade from low-end manufacturing to high-end manufacturing. Our management team is actively pursuing towards this direction.

Building Construction Materials

The business comprises mainly of the supply of ready mixed concrete in Hong Kong, construction steel distribution and other building construction materials. Revenue for the year was HK\$1,457,562,000, an increase of approximately 7% over last year. Profit before interest and taxation was HK\$89,951,000, representing a decrease of approximately 14% over last year.

In recent years, the business operating environment experienced considerable upsides as the construction industry in Hong Kong continued to benefit from the commencement of a number of major infrastructure projects. Nonetheless, a variety of factors such as construction labour shortage, regulatory and administrative red tape, and so forth had in general affected work progress and moderated construction activities from the anticipated peak. Moreover, the return of government land for development purposes in Lantau Island on maturity where one of our concrete plants once operated affected the income of the Group's ready mixed concrete business to a certain extent resulting in unsatisfactory performance for the year. The construction steel distribution business however achieved satisfactory growth over the previous year lifting the Group's building construction materials performance to a stable level.

Over the next few years, the Group expects to derive its main source of income from the building construction materials business in Hong Kong. Apart from actively identifying opportunities for a new ready mixed concrete plant site, the Group will also look at opportunities to further strengthen its risk management of construction steel against price fluctuations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2012, the total bank balances and cash of the Group amounted to HK\$373,466,000 (31st December, 2011: HK\$351,051,000). As at 31st December, 2012, current ratio (current assets to current liabilities) for the Group was 1.42:1 (31st December, 2011: 1.31:1).

As at 31st December, 2012, the total borrowings for the Group amounted to HK\$684,725,000 (31st December, 2011: HK\$945,327,000).

The Group's monetary assets are principally denominated in Hong Kong dollars, Renminbi and United States dollars. As the exchange rate between Hong Kong dollars and the United States dollars is fixed, the Group believes its exposure to exchange risk is not material. For the fluctuation of exchange rate of Renminbi, the Management will continue to monitor foreign exchange exposure of Renminbi and will take prudence measures to minimize the currency risk.

CAPITAL STRUCTURE

During the year, there was no material change to the capital structure of the Company. The number of the Company's ordinary shares in issue as at 31st December, 2012 was 561,922,500 (31st December, 2011: 561,922,500). As at 31st December, 2012, the equity attributable to the shareholders of the Company amounted to HK\$794,726,000 (31st December, 2011: HK\$728,316,000).

As at 31st December, 2012, net gearing ratio (total borrowings minus bank balances and cash to total equity) was 0.38:1 (31st December, 2011: 0.80:1).

EMPLOYMENT AND REMUNERATION POLICY

As at 31st December, 2012, the total number of staff of the Group was 1,282. The Group also provides Mandatory Provident Fund entitlement to Hong Kong's employees. Share options may also be granted as an incentive or reward to eligible employees in accordance with the share option scheme adopted on 27th May, 2004.

PROSPECT

The economic road to recovery continues to face headwinds. Perpetuating uncertainties in the broader economic environment will continue to dampen consumer confidence and weaken the market's purchasing power. In this environment the Group's Mainland manufacturing businesses, notably the value-add service operations of metal products for export manufacturers will continue to face many challenges ahead.

Though not insulated in this global environment, China and Hong Kong remain relatively stable. In particular, the solid economic fundamentals and stable investment environment of Hong Kong keeps it advantageous, housing and infrastructure investments in both the public and private sector are bound to increase over the next few years. The Group is optimistic about prospects for our building construction materials business in Hong Kong.

Despite surrounded by many uncertainties and challenges in the broad environment, the Group has confidence in the management team's ability to navigate through these adversities and challenges to maintain stability, create development opportunities and endeavour to produce perpetual and stable returns for our shareholders.

CORPORATE GOVERNANCE

The Group is committed to maintenance of good corporate governance practices as set out in the Code on Corporate Governance Practices (the “CG Code”) in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”). The Company has complied with code provisions as set out in the CG Code for the year ended 31st December, 2012 except the followings:

Code provision A.2.1, the Company does not separate the roles of Chairman and Chief Executive Officer and Mr. Pang Tak Chung currently holds both positions. As the Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership, efficient usage of resources and allows for effective planning, formulation and implementation of the Company’s business strategies which will enable the Company to sustain the development of its business efficiently.

Code provision A.5.1, the Company does not propose to establish a Nomination Committee for the time being as the full Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new directors from time to time to ensure that it has a balanced composition of their skills and experience appropriate for the requirements of the businesses of the Company, and the Board as a whole is also responsible for reviewing the succession plan for the directors.

Code provision A.6.7, Mr. Yu Kwok Kan, Stephen and Mr. Chan Yat Yan, Independent Non-executive Directors were unable to attend the annual general meeting of the Company held on 8th June, 2012 as they had another engagement.

AUDIT COMMITTEE

The Company established its Audit Committee on 5th January, 1999 with written terms of reference which are in line with the code provision. The Audit Committee comprises three Independent Non-executive Directors namely Mr. Yu Kwok Kan, Stephen, Mr. Chan Yat Yan and Mr. Lo Yip Tong.

Disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. The Company’s Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31st December, 2012.

REMUNERATION COMMITTEE

The Company established its Remuneration Committee on 21st April, 2005 with written terms of reference which are in line with the code provision. The Remuneration Committee comprises three Independent Non-executive Directors namely Mr. Yu Kwok Kan, Stephen, Mr. Chan Yat Yan and Mr. Lo Yip Tong.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standards set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made by the Company to each director of the Company confirming that they have complied with the required standards set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company for the year ended 31st December, 2012.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2012.

FINAL DIVIDEND

The Board of Directors recommends payment of a final dividend of HK2.5 cents per share for the year ended 31st December, 2012 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 19th June, 2013. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on 7th June, 2013 (the "AGM"), the proposed final dividend will be paid to the Company's shareholders around 5th July, 2013.

Together with the interim dividend of HK1.5 cents per share, the total dividends for the full financial year will amount to HK4 cents per share.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company (the "Register of Members") will be closed for the following periods:

(i) For determining eligibility to attend and vote at the AGM:

Latest time to lodge transfers 4:30 p.m. on Tuesday, 4th June, 2013

Closure of Register of Members Wednesday, 5th June, 2013 to
Friday, 7th June, 2013 (both dates inclusive)

Record date Friday, 7th June, 2013

(ii) For determining entitlement to the proposed final dividend:

Latest time to lodge transfers 4:30 p.m. on Friday, 14th June, 2013

Closure of Register of Members Monday, 17th June, 2013 to
Wednesday, 19th June, 2013 (both dates inclusive)

Record date Wednesday, 19th June, 2013

During the above closure periods, no transfer of shares of the Company will be registered. To be eligible to attend and vote at the AGM, and to qualify for entitlement to the proposed final dividend, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than the aforementioned latest time.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.golik.com.hk). The 2012 Annual Report containing information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

ACKNOWLEDGEMENTS

I personally take this opportunity to thank all our employees and management staff in abundance for their past efforts and contributions. I would also like to thank all our customers, shareholders, banks and business associates who had supported us along the way. With your continuing support, the Group endeavours to deliver good results in the coming year.

By order of the Board
Golik Holdings Limited
Pang Tak Chung
Chairman

Hong Kong, 25th March, 2013

As at the date of this announcement, the Directors of the Company comprise:

Executive Directors: Mr. Pang Tak Chung, Mr. Ho Wai Yu, Sammy and Mr. John Cyril Fletcher

Independent Non-executive Directors: Mr. Yu Kwok Kan, Stephen, Mr. Chan Yat Yan and Mr. Lo Yip Tong