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GOLIK HOLDINGS LIMITED

高力集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1118)

**CONNECTED AND DISCLOSEABLE TRANSACTION
EXTENSION OF EXERCISE PERIOD OF PUT OPTION IN RESPECT OF
23% EQUITY INTERESTS IN A SUBSIDIARY**

EXTENSION OF EXERCISE PERIOD OF PUT OPTION

On 1 December 2016, the Company and Cheungs entered into the Supplemental Option Deed, pursuant to which the parties agreed to extend the last day of the Exercise Period in respect of the Put Option from 31 December 2016 to 31 December 2021.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Fulwealth Metal is a non wholly-owned subsidiary of the Company and Cheungs are Fulwealth Metal's directors and substantial shareholders. Accordingly, Cheungs are connected persons of the Company at subsidiary level. Besides, as one or more of the applicable percentage ratios under the Listing Rules in respect of the Put Option exceed(s) 5% but is/are less than 25%, the entering into of the Supplemental Option Deed by the Company with Cheungs is a connected and discloseable transaction of the Company with connected persons at subsidiary level, and is exempt from the circular, independent financial adviser and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

Reference is made to an announcement of the Company dated 6 September 2011 in relation to the Option Deed pursuant to which the Company granted the Put Option to Cheungs exercisable during the Exercise Period.

On 1 December 2016, the Company and Cheungs entered into the Supplemental Option Deed, pursuant to which the parties agreed to extend the last day of the Exercise Period in respect of the Put Option from 31 December 2016 to 31 December 2021.

Set out below are the details of the Option Deed as supplemented by the Supplemental Option Deed.

THE OPTION DEED AS SUPPLEMENTED BY THE SUPPLEMENTAL OPTION DEED

Date

1 December 2016

Parties

- (1) The Company as the grantor; and
- (2) Cheungs as the grantees.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Cheungs are Fulwealth Metal's directors and substantial shareholders. Accordingly, Cheungs are connected persons of the Company at subsidiary level under the Listing Rules.

Subject Matter

The Option Shares comprise 4,600,000 ordinary shares of HK\$1.00 each in the share capital of Fulwealth Metal. If the Put Option is exercised, Cheungs shall sell, and the Company shall purchase, the Option Shares.

Fulwealth Metal, a non wholly-owned subsidiary of the Company, acts as an investment holding company and is engaged in business of operating decoiling centres. As at the date of this announcement, Fulwealth Metal is owned as to 77% by the Company and as to 23% by Cheungs. In 1997, the Company had entered into a sale and purchase agreement with Cheungs for the acquisition of 5,400,000 ordinary shares in the issued share capital of Fulwealth Metal at a consideration of approximately HK\$5.63 per share, inclusive of a premium of approximately HK\$2.74 per share.

The audited consolidated profit before and after taxation of Fulwealth Metal for each of the years ended 31 December 2014 and 2015 are set out below:

	Year ended 31 December	
	2014	2015
	<i>HK\$</i>	<i>HK\$</i>
Consolidated profit before taxation	18,259,393	17,596,235
Consolidated profit after taxation	15,618,377	13,588,623

As at 30 September 2016, the unaudited consolidated net asset value of Fulwealth Metal amounted to approximately HK\$82 million and the unaudited consolidated net asset value of Fulwealth Metal attributable to the holders of the Option Shares was approximately HK\$19 million.

Extended Exercise Period

The Put Option may be exercised by Cheungs at any time during the Extended Exercise Period by giving at least 3 months prior written notice. If Cheungs exercise the Put Option during the Extended Exercise Period, the Company shall acquire the Option Shares on the Completion Date.

If the Put Option is not exercised by Cheungs during the Extended Exercise Period, the Put Option shall lapse on the expiry of the Extended Exercise Period and all the rights and interests of Cheungs under the Option Deed (as supplemented by the Supplemental Option Deed) shall also cease and determine, and no party to the Option Deed (as supplemented by the Supplemental Option Deed) shall have any rights or liabilities to each other save for any antecedent breach.

Consideration

The total consideration payable will be calculated by reference to the unaudited consolidated net asset value of Fulwealth Metal attributable to the holders of the Option Shares for the period up to the month immediately preceding the Exercise Date together with a premium of HK\$12,650,000 (representing HK\$2.75 per Option Share), provided that the unaudited consolidated net asset value of Fulwealth Metal shall within the Exercise Period be no more than HK\$80,000,000.

In any event, the aggregate consideration will be not more than HK\$6.75 per Option Share and shall be payable in cash on the Completion Date by the Company. The consideration of not more than HK\$6.75 per Option Share was reached by reference to the unaudited consolidated net asset value of Fulwealth Metal as at 31 July 2011 which amounted to approximately HK\$80 million (representing HK\$4.00 per Option Share) together with a premium of HK\$2.75 (which was agreed with reference to the premium of HK\$2.74 given in the acquisition of 5,400,000 ordinary shares in Fulwealth Metal from Cheungs in 1997 mentioned in the above paragraph). Assuming that the final exercise price is HK\$6.75 per Option Share, the aggregate consideration payable by the Company upon exercise of the Put Option will be HK\$31,050,000. The original acquisition cost of the Option Shares to Cheungs was HK\$16,750,000.

The consideration was determined after arm's length negotiation with reference to the unaudited consolidated net asset value of Fulwealth Metal as at 31 July 2011 and shall be funded by internal resources of the Group.

REASONS FOR, AND BENEFITS OF, THE GRANT OF THE PUT OPTION AND EXTENSION OF THE EXERCISE PERIOD

Cheungs currently have been participating in the daily operation of Fulwealth Metal as managing directors with extensive experience and delivering reasonable performance and contribution to the steady growth of the Group. However, they have reached the retirement age. The Company does not want Cheungs to sell their interest in Fulwealth Metal to outside parties when they wish to dispose of their interest. Upon exercise of the Put Option, Cheungs can dispose of their interest in Fulwealth Metal to the Company at a consideration to be determined by reference to the agreed formula. On the other hand, the granting of the Put Option to Cheungs is also an incentive to encourage Cheungs to stay longer with Fulwealth Metal.

In view of the above, the Board (including the independent non-executive Directors) considers that the terms of the Option Deed (as supplemented by the Supplemental Option Deed) and the transaction contemplated thereunder are on normal commercial terms or better and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Put Option or, is required to abstain from voting on the board resolution for considering and approving the Supplemental Option Deed.

INFORMATION OF THE GROUP AND THE COMPANY

The Group is principally engaged in the manufacturing and sale of metal products and building construction materials. The Company is an investment holding company and provides corporate management services, and listed on the Main Board of the Stock Exchange.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Fulwealth Metal is a non wholly-owned subsidiary of the Company and Cheungs are Fulwealth Metal's directors and substantial shareholders. Accordingly, Cheungs are connected persons of the Company at subsidiary level. Besides, as one or more of the applicable percentage ratios under the Listing Rules in respect of the Put Option exceed(s) 5% but is/are less than 25%, the entering into of the Supplemental Option Deed by the Company with Cheungs is a connected and discloseable transaction of the Company with connected persons at subsidiary level, and is exempt from the circular, independent financial adviser and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Cheungs”	Messrs. Cheung Tak Hang and Poon Wai Ping
“Company”	Golik Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange
“Completion Date”	if the Put Option is exercised, completion of the sale and purchase of the Option Shares will take place on the date falling 3 months after Cheungs have served a written notice to exercise the Put Option
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Exercise Date”	the date on which Cheungs exercise the Put Option during the Exercise Period
“Exercise Period”	the period commencing from 6 September 2012 to 31 December 2016
“Extended Exercise Period”	the period commencing from 1 January 2017 to 31 December 2021
“Fulwealth Metal”	Fulwealth Metal Factory Limited, a company incorporated in Hong Kong which is owned as to 77% by the Company and as to 23% by Cheungs
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Deed”	a deed dated 6 September 2011 between the Company and Cheungs relating to the grant of the Put Option to Cheungs
“Option Share(s)”	4,600,000 ordinary shares of HK\$1.00 each in the share capital of Fulwealth Metal which have been issued and fully paid up and represents 23% of the issued share capital of Fulwealth Metal
“PRC”	The People’s Republic of China, which for the sole purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Put Option”	the right of Cheungs to sell to the Company, and require the Company to acquire, the Option Shares under the terms of the Option Deed as supplemented by the Supplemental Option Deed
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Option Deed”	a supplemental deed to the Option Deed dated 1 December 2016 between the Company and Cheungs relating to the extension of the Exercise Period of the Put Option exercisable by Cheungs

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

Hong Kong, 1 December 2016

As at the date of this announcement, the Board comprises:

Executive Directors: Mr. Pang Tak Chung, Mr. Ho Wai Yu, Sammy, Ms. Pang Wan Ping and Mr. Lau Ngai Fai

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

* *For identification purposes only*