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GOLIK HOLDINGS LIMITED

高力集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1118)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE AUDITED ANNUAL RESULTS
FOR THE YEAR ENDED 31ST DECEMBER, 2019**

Reference is made to the announcement of Golik Holdings Limited (the “Company”) dated 31st March, 2020 in relation to the unaudited annual results for the year ended 31st December, 2019 (the “2019 Unaudited Annual Results Announcement”) and its announcement dated 20th April, 2020 in relation to the audited annual results for the year ended 31st December, 2019 (the “2019 Audited Annual Results Announcement”). Unless otherwise defined, terms defined in the 2019 Unaudited Annual Results Announcement and the 2019 Audited Annual Results Announcement shall have the same meanings in this announcement.

EXPLANATION OF THE DIFFERENCES BETWEEN THE UNAUDITED ANNUAL RESULTS AND THE AUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

Since financial information contained in the 2019 Unaudited Annual Results Announcement was neither audited nor agreed with the Company’s auditors as at the date of the publication and subsequent adjustments have been made to such information, shareholders and potential investors of the Company are advised to pay attention to the differences between financial information of the unaudited and audited annual results of the Group. In this regard, the Company hereby sets forth details and reasons for the differences in such financial information in accordance with Rule 13.49(3)(ii)(b) of the Listing Rules.

** For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2019

	Disclosure in the 2019 Unaudited Annual Results Announcement HK\$'000	Disclosure in the 2019 Audited Annual Results Announcement HK\$'000	Difference HK\$'000	Notes
Revenue	2,803,735	2,803,735	-	
Cost of sales	<u>(2,425,739)</u>	<u>(2,425,739)</u>	-	
Gross profit	377,996	377,996	-	
Other income	23,271	23,271	-	
Interest income	2,526	2,526	-	
Selling and distribution costs	(115,121)	(115,121)	-	
Administrative expenses	(171,011)	(171,011)	-	
(Impairment losses) reversal of impairment losses under ECL model, net	(17,190)	(17,190)	-	
Other gains and losses	342	342	-	
Other expenses	(39,364)	(44,130)	(4,766)	(a)
Finance costs	(42,204)	(42,204)	-	
- Interest on bank borrowings	<u>(28,810)</u>	<u>(28,810)</u>	-	
- Interest on lease liabilities/finance leases	<u>(13,394)</u>	<u>(13,394)</u>	-	
Share of result of a joint venture	(114)	(114)	-	
Share of result of an associate	<u>31</u>	<u>31</u>	-	
Profit (loss) before taxation	19,162	14,396	(4,766)	(a)
Income taxes	<u>(5,945)</u>	<u>(5,945)</u>	-	
Profit (loss) for the year	<u>13,217</u>	<u>8,451</u>	(4,766)	(a)
Other comprehensive (expense) income				
Items that may be subsequently reclassified to profit or loss:				
- Exchange difference arising on translation of foreign operations	(10,069)	(10,069)	-	
- Fair value gain on a debt instrument at fair value through other comprehensive income ("FVTOCI")	-	-	-	
- Reclassification to profit or loss upon redemption of a debt instrument at FVTOCI	-	-	-	
Item that will not be reclassified to profit or loss:				
- Fair value gain (loss) on an equity instrument at FVTOCI	<u>1,029</u>	<u>1,029</u>	-	
Other comprehensive expense for the year	<u>(9,040)</u>	<u>(9,040)</u>	-	
Total comprehensive income (expense) for the year	<u>4,177</u>	<u>(589)</u>	(4,766)	(a)
Profit (loss) for the year attributable to:				
Shareholders of the Company	(1,467)	(6,233)	(4,766)	(a)
Non-controlling interests	<u>14,684</u>	<u>14,684</u>	-	
	<u>13,217</u>	<u>8,451</u>	(4,766)	(a)
Total comprehensive income (expense) attributable to:				
Shareholders of the Company	(8,832)	(13,598)	(4,766)	(a)
Non-controlling interests	<u>13,009</u>	<u>13,009</u>	-	
	<u>4,177</u>	<u>(589)</u>	(4,766)	(a)
Basic loss per share	<u>HK0.26 cents</u>	<u>HK1.10 cents</u>	HK0.84 cents	(a)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31st December, 2019

	Disclosure in the 2019 Unaudited Annual Results Announcement HK\$'000	Disclosure in the 2019 Audited Annual Results Announcement HK\$'000	Difference HK\$'000	Notes
Non-current Assets				
Investment properties	4,020	4,020	-	
Property, plant and equipment	471,319	471,319	-	
Prepaid lease payments	-	-	-	
Right-of-use assets	273,168	273,168	-	
Interest in a joint venture	3,881	3,881	-	
Amount due from a joint venture	-	-	-	
Interest in an associate	-	-	-	
Amount due from an associate	31	31	-	
Equity instrument at FVTOCI	4,321	4,321	-	
Insurance policy assets	12,790	12,790	-	
Rental and other deposits	5,640	5,640	-	
Deposits paid for acquisition of property, plant and equipment	11,143	11,143	-	
Loan receivables	3,151	3,151	-	
Bank time deposits	-	-	-	
	789,464	789,464	-	
Current Assets				
Inventories	579,178	579,178	-	
Trade, bills, loan and other receivables	644,361	644,361	-	
Prepaid lease payments	-	-	-	
Income tax recoverable	5,191	5,191	-	
Bank time deposits with original maturity over three months	2,232	2,232	-	
Bank balances and cash	323,263	304,672	(18,591)	(b)
	1,554,225	1,535,634	(18,591)	(b)
Non-current assets/assets classified as held for sale	15,308	33,899	18,591	(b)
	1,569,533	1,569,533	-	
Current Liabilities				
Trade and other payables	292,740	297,506	4,766	(a)
Contract liabilities	7,380	7,380	-	
Lease liabilities	49,207	49,207	-	
Amounts due to non-controlling shareholders	3,200	3,200	-	
Income tax payable	4,674	4,674	-	
Bank borrowings	791,461	791,461	-	
Obligations under finance leases	-	-	-	
	1,148,662	1,153,428	4,766	(a)
Net Current Assets	420,871	416,105	(4,766)	(a)
	1,210,335	1,205,569	(4,766)	(a)

	Disclosure in the 2019 Unaudited Annual Results Announcement HK\$'000	Disclosure in the 2019 Audited Annual Results Announcement HK\$'000	Difference HK\$'000	Notes
Capital and Reserves				
Share capital	57,438	57,438	-	
Share premium and reserves	855,763	850,997	(4,766)	(a)
Equity attributable to shareholders of the Company	913,201	908,435	(4,766)	(a)
Non-controlling interests	61,152	61,152	-	
Total Equity	974,353	969,587	(4,766)	(a)
Non-current Liabilities				
Deferred tax liabilities	17,280	17,280	-	
Lease liabilities	218,702	218,702	-	
Obligations under finance leases	-	-	-	
	235,982	235,982	-	
	1,210,335	1,205,569	(4,766)	(a)

NOTE 3 - REVENUE AND SEGMENT INFORMATION

For the year ended 31st December, 2019

	Disclosure in the 2019 Unaudited Annual Results Announcement HK\$'000	Disclosure in the 2019 Audited Annual Results Announcement HK\$'000	Difference HK\$'000	Notes
Segment result				
Metal products	96,708	91,942	(4,766)	(a)
Building construction materials	2,106	2,106	-	
Reportable segment total	98,814	94,048	(4,766)	(a)
Other operation	(23,348)	(23,348)	-	
Eliminations	31	31	-	
Consolidated segment result	75,497	70,731	(4,766)	(a)

NOTE 10 - TRADE AND OTHER PAYABLES

As at 31st December, 2019

	Disclosure in the 2019 Unaudited Annual Results Announcement HK\$'000	Disclosure in the 2019 Audited Annual Results Announcement HK\$'000	Difference HK\$'000	Notes
Trade payables	159,912	159,912	-	
Accruals	64,716	64,716	-	
Deposits received	49,957	49,957	-	
Other payables	18,155	22,921	4,766	(a)
	292,740	297,506	4,766	(a)

Notes:

- (a) *Being recognition of potential other tax and other liabilities for a member operation of the Group in Mainland China, "Other expenses" increased by HK\$4,766,000, which resulted in "Profit for the year" decreased and "Loss for the year attributable to Shareholders of the Company" increased by HK\$4,766,000, accordingly, the Group's "Other payables" of which under "Trade and other payables" increased by HK\$4,766,000.*
- (b) *Being reclassification of HK\$18,591,000 from "Bank balances and cash" to "Assets classified as held for sale" in relation to the sale and purchase agreement signed by a subsidiary of the Company on 30th December, 2019, accordingly, the Group's "Bank balances and cash" decreased by HK\$18,591,000 and "Assets classified as held for sale" increased by HK\$18,591,000. And "Non-current assets classified as held for sale" shown in the 2019 Unaudited Annual Results Announcement was renamed in the 2019 Audited Annual Results Announcement as "Assets classified as held for sale".*

The adjustments above will also be reflected in the annual report of the Group for the year ended 31st December, 2019 to be published by the Group in due course.

By Order of the Board
Golik Holdings Limited
Pang Tak Chung MH
Chairman

Hong Kong, 23rd April, 2020

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

Executive Directors:

Mr. Pang Tak Chung MH, 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