

[For Immediate Release]



**Golik Holdings (Stock Code: 1118) Announces Annual Results 2011**  
**Profit Attributable to Shareholders Increased 11% to Approximately HK\$101,310,000**  
**Proposed Final Dividend of HK 2.8 cents**

**Financial Highlights**

HKD(thousand)	For the year ended 31 December 2011		
	2011	2010	Changes (%)
Revenue	2,826,426	3,343,356	(15%)
Profit attributable to shareholders	101,310	90,868	11%
Basic EPS (HK cents)	18.03	16.16	11.6%
Final dividends per share (HK cents)	2.8	2.6	7.7%

(Hong Kong, 27 March 2012) — **Golik Holdings Limited** (“Golik”/“the Group”) (Stock code: 1118) announced annual results for the year ended 31 December 2011. The Group recorded a revenue of approximately HK\$2,826,426,000 (2010: HK\$3,343,356,000), representing a decrease of 15% compared to last year. Profit attributable to shareholders increased approximately 11% to HK\$101,310,000 compared to last year (2010: HK\$90,868,000). Basic earnings per share was HK 18.03 cents (2010: HK 16.16 cents). The Group had bank balances and cash of approximately HK\$353,424,000(2010: HK\$337,003,000) as at 31 December 2011.

The Board of Directors has recommended a final dividend of HK 2.8 cents per share (2010: HK 2.6 cents per share). Together with the interim dividend of HK 1.2 cents per share already paid, total dividends for the year will amount to HK 4 cents per share, representing an increase of 5% compared to the previous year.

**Mr. Pang Tak Chung, Chairman of the Group**, said, “The shape of the global economy for 2011 transpired in obscurity. The emergence of the European sovereign debt crisis eroded the cautious optimism of an economic recovery. Despite the contrast of the Chinese economy managing higher growth, the broad deterioration of the global economic environment posed significant challenges. The Group’s domestic manufacturing operations also faced considerable pressure. Against the slowdown of economic activities due to uncertainties in the global economic environment, Hong Kong’s economy remains resolute in contrast especially the building and construction industry. The construction industry remained buoyant throughout the year as the Government accelerated the release of public projects. As such, there was growth in performance for the Group’s building construction materials business in Hong Kong. The pressure on the manufacturing operations in Mainland to perform under the challenging conditions throughout the year was offset by the performance growth of the Group’s building construction materials business in Hong Kong and the results for the year achieved steady year-on-year growth.”

~Page 1/3~

Metal Products business comprises mainly of steel coil processing, steel wires, steel wire ropes and other steel wire products processing and manufacturing. Revenue for the year was HK\$1,272,866,000 (2010: HK\$1,725,944,000), representing a decrease of approximately 26% over last year. Profit before interest and taxation is HK\$57,712,000 (2010: HK\$72,738,000), which is a decrease of approximately 21% over last year. During the year, revenues and profits were less favourable than last year mainly due to the challenging operating environment. Unfavourable conditions such as weak market demand, increase in labour and other overhead costs and raw material price fluctuations intensively affected the Group's operations in the Mainland, in particular the service for products bound for the export markets. With the progressive appreciation of the Renminbi and increasing labour and overhead costs, the Group's manufacturing operations in the Mainland will inevitably face greater challenges. Apart from effective cost control measures and refinement of production processes to maintain market competitiveness, the Group is also rigorously reviewing the product mix towards developing innovative and high value-added products.

During the year under review, the elevator wire rope factory in Tianjin was relocated during the first quarter this year with a site area of approximately 32,000 square metres. The new factory has commenced full production since April last year and is principally engaged in the manufacturing of high-end elevator steel wire ropes. With over RMB100,000,000 of capital investment and the coordination of Mainland partner, Tianjin Metallurgy, the annual capacity of the new elevator wire rope factory has now increased to 30,000 tonnes per year to become the country's largest manufacturer in the industry. The new plant and equipment greatly enhanced the Group's corporate image and raise customer confidence, furthering the Group's market leader position in elevator wire rope manufacturing.

The Building Construction Materials business comprises mainly of the supply of readymixed concrete and construction steel products processing and distribution. Revenue for the year was HK\$ 1,355,953,000 (2010: HK\$1,403,216,000), representing a decrease of approximately 3% over last year. Profit before interest and taxation is HK\$105,134,000 (2010: HK\$63,835,000), representing an increase of approximately 65% over last year. In 2011, the Group's building construction materials business continued to achieved steady growth, benefiting from the commencement of a number of infrastructure projects in Hong Kong. During the year, the Group was mindful of the risk outlook in raw material price fluctuations and remain judicious. Notwithstanding the lack of growth in operating revenues, gross margins improved significantly and performance was satisfactory.

Amounting to a total investment value of HK\$35,000,000, the redevelopment of the ready-mixed concrete plant situated in Yuen Long, Hong Kong has been completed, with a site area of approximately 30,000 sq. ft and is officially in production in July last year. Unlike many industry's peers of the Group who operate on government-leased land with strict lease terms, this site is wholly-owned by the Group, bringing certain cost advantages. The factory allows the Group to increase its production capacity to more than 200,000m<sup>3</sup> per annum in order to align with the upcoming High-Speed Rail construction works and other major development projects in Northwest New Territories, further fortifying its building construction materials market position in Hong Kong.

~Page 2/3~

Increasingly, environmental-friendly and low carbon ambitions are sought by the wider community, and this includes the building and construction industry. Apart from the commitment in discharging environmental responsibilities, the Group acting as one of the main building construction material suppliers in Hong Kong will also continue its efforts to develop and introduce green and low carbon products and services to the building and construction industry to contribute in improving the environment.

**Mr. Pang Tak Chung, Chairman of the Group**, concluded, "Global economic uncertainty will prevail in the coming year. The international economic and financial market outlook remains oppressed including the deceleration in economic growth of emerging sub-economies in China. However, the economic fundamentals of Hong Kong are expected to remain solid. The Group will be poised to advantage of the golden opportunity presented in the construction industry in Hong Kong as it reaches its peak due to the Government's earmarked spending of over HK\$50 billion annually in infrastructure projects over the next few years. The Group's building construction materials business in Hong Kong is also expected to continue to benefit from it. At the same time, we will increase efforts to transform the product mix of our Mainland's manufacturing operations, increase the value-added proposition and to ensure sustainable growth can be achieved by our core businesses so as to create and sustain value for our shareholders."

~End~

#### **About Golik Holdings Limited (Stock Code: 1118)**

Golik Holdings Limited is principally engaged in manufacturing and sales of steel, metal products and construction materials. The Group's core businesses include steel coil processing, wires processing, steel re-bars distribution and production of ready mixed concrete products. Headquartered in Hong Kong, Golik also operates in the PRC with factories located in Heshan, Dongguan, Guangdong, Shenzhen and Tianjin.