

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Golik Holdings Limited, you should at once hand this circular to the purchaser(s) or transferee(s) or to the licensed securities dealer, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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GOLIK HOLDINGS LIMITED
高力集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1118)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

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DEFINITIONS

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

“Board”	the board of directors of the Company;
“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;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the agreement;
“Group”	the Company with its subsidiaries and associated companies;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company;
“Latest Practicable Date”	12 December 2006, being the latest practicable date prior to printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	comprising a shop unit on the ground floor of a 3-storeyed commercial podium of a residential building with a saleable area of approximately 1,720 sq.ft. plus a yard of approximately 77 sq.ft. located at Shop B on the Ground Floor, Timmar Court, Nos. 10-12 Wing Hing Street, North Point, Hong Kong;
“Provisional Agreement”	the provisional agreement dated 21st November 2006 entered into between the Vendor and the Purchaser in relation to the disposal of the Property;
“Purchaser”	Ms. Liu Wai Ping or her assigned company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Golik Properties Limited, a wholly owned subsidiary of the Company, incorporated in Hong Kong with limited liability; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

LETTER FROM THE BOARD



GOLIK HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1118)

Executive Directors:

Mr. Pang Tak Chung (*Chairman*)
Mr. Ho Wai Yu, Sammy (*Vice Chairman*)
Mr. John Cyril Fletcher

Non-executive Director:

Mr. Robert Keith Davies

Independent Non-executive Directors:

Mr. Yu Kwok Kan, Stephen
Mr. Chan Yat Yan
Mr. Lo Yip Tong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and

Principal Place of Business:
Suite 5608, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

14th December 2006

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY**

INTRODUCTION

The Board announced on 24th November 2006 that Golik Properties Limited, a wholly owned subsidiary of the Company, has entered into a Provisional Agreement for sale and purchase dated 21st November 2006 in relation to the disposal of the Property at the consideration of HK\$11,500,000. The consideration was agreed at after arm's length negotiation based on normal commercial terms.

The Disposal contemplated under the Provisional Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

THE AGREEMENT

- Date: 21st November 2006
- Parties: Vendor: Golik Properties Limited, a wholly owned subsidiary of the Company, incorporated in Hong Kong with limited liability
- Purchaser: Ms. Liu Wai Ping or her assigned company, to the best of the director's knowledge, information and belief, is an Independent Third Party
- Property: Shop B on Ground Floor, Timmar Court, Nos. 10-12 Wing Hing Street, North Point, Hong Kong
- Area: A shop unit on the ground floor of a 3-storey commercial podium of a residential building with a saleable area of approximately 1,720 sq.ft. plus a yard of approximately 77 sq.ft.
- Consideration: The consideration of HK\$11,500,000 was agreed after arm's length negotiation between the Vendor and the Purchaser with reference to the current market value of properties for non-residential use in the nearby locality. As at 31st December 2005, the Property was valued by an independent valuer, at a total market value of HK\$12,300,000. The audited book value of the Property as at 31st December 2005 was also HK\$12,300,000. The consideration has been or shall be (as applicable) paid in cash as follows:
- (i) HK\$300,000, was paid in cash on the signing of the Provisional Agreement on 21st November 2006; and
 - (ii) HK\$850,000, was paid in cash on the signing of the formal sale and purchase agreement on or before 5th December 2006; and
 - (iii) The remaining portion being HK\$10,350,000, shall be payable in cash on or before the completion of the disposal of the Property on or before 5th February 2007.

The expected loss to the Company from the Disposal is approximately HK\$925,000 after deduction of the book value of HK\$12,300,000 and legal costs and commission of HK\$125,000.

The net profit attributable to the Property (both before and after tax) for the year ended 31st December 2004 amounted to HK\$91,000. The net loss attributable to the Property (both before and after) for the year ended 31st December 2005 amounted to HK\$3,047,000.

LETTER FROM THE BOARD

The non-current assets will decrease by HK\$12,300,000 and the current assets will increase by HK\$11,375,000 immediate after completion of the disposal. The disposal has no material effect on the earnings of the Company.

Terms: Pursuant to the Provisional Agreement, the Vendor and the Purchaser agree that the Vendor will sell and the Purchaser will purchase the Property.

The Agreement is not subject to any conditions precedent.

The Vendor and the Purchaser has entered into a formal agreement for sale and purchase of the Property on or before 5th December 2006.

REASONS FOR THE DISPOSAL

The Group is principally engaged in manufacturing and sales of steel and metal products and construction materials. Property investment is not a core business of the Group. In addition, the Property was vacant for approximately two years and no income benefited to the Group. The Directors believe such Disposal enable the Group to further eliminate non-core business and improve the financial position of the Group.

The directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

USE OF NET PROCEEDS

The aggregate net proceeds from the Disposal after deducting the related expenses is estimated to be approximately HK\$11,375,000. The Group intends to apply the aggregate net proceeds as its general working capital and there are no plans for any acquisition at the moment.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix of this circular.

Yours faithfully,
For and on behalf of the Board
Golik Holdings Limited
Pang Tak Chung
Chairman

1. RESPONSIBILITY

This circular includes particulars given in compliance with Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies contained in the Listing Rules, were as follows:

(i) Long position in shares of the Company

Name of Directors	Number of ordinary shares held			Percentage of issued shares
	Personal interest	Held by controlled corporation	Total	
Mr. Pang Tak Chung (<i>Note</i>)	133,274,708	195,646,500	328,921,208	57.97%
Mr. Ho Wai Yu, Sammy	2,000	–	2,000	0.00%
Mr. Robert Keith Davies	21,104,292	–	21,104,292	3.72%

Note: The 195,646,500 shares are held by Golik Investments Ltd. ("GIL") which is wholly owned by Mr. Pang Tak Chung.

(ii) Beneficial interest and short position in shares in associated corporation

Name of Director	Associated corporation in which shares or equity interest are held or interested	Number of shares or amount of equity interest held or interested	Class and/or description of shares
Mr. Pang Tak Chung (Note)	Golik Metal Industrial Company Limited	25,850	Non-voting deferred shares

Note: The 25,850 non-voting deferred shares are held as to 5,850 non-voting deferred shares by Mr. Pang Tak Chung and as to 20,000 non-voting deferred shares by World Producer Limited. World Producer Limited is wholly owned by Mr. Pang Tak Chung.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company or their respective associates had or was deemed to have any interests or short positions in any securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

3. SUBSTANTIAL SHAREHOLDERS

As at Latest Practicable Date, so far as known to the Directors and chief executive of the Company, the following person, had interests in shares or underlying shares of the Company which fall to be disclosed to the Company under the provision of Division 2 and 3 of Part XV of the SFO, or who are expected, directly or indirectly, to be interest in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company:

Long position in shares of the Company

Name	Number of shares held	Percent of the total issued shares as at the Latest Practicable Date
GIL	195,646,500	34.48%
Pang Tak Chung (Note)	328,921,208	57.97%

Note: Including 195,646,500 shares (approximately 34.48%) held through a controlled corporation, GIL and 133,274,708 shares (approximately 23.49%) held by himself.

Save as disclosed, so far as know to the Directors and chief executive of the Company, there are no other persons other than the Directors or chief executive of the Company, who has an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in ten per cent, or more the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. SERVICE CONTRACT

There is no service contract between the Directors and members of the Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

No member of the Group is engaged in any litigation or arbitration of material importance and the Directors are not aware of any litigation or claims of material importance pending or threatened against any member of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business which compete or may compete with the business of the Group.

7. MISCELLANEOUS

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the head office and principal place of business in Hong Kong is at Suite 5608, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (b) The Secretary of the Company is Mr. Ho Wai Yu, Sammy, FCCA, CPA, MCMI.
- (c) The qualified accountant of the Company appointed pursuant to Rule 3.24 is Mr. Ho Wai Yu, Sammy, FCCA, CPA, MCMI.
- (d) The English text of this circular shall prevail over the Chinese text.