



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

Golik Holdings Announces Annual Results 2022
Profit Attributable to Shareholders Amounted to HK\$75,673,000
Proposed Final Dividend of HK3 cents per share

(Hong Kong, 30 March 2023) — **Golik Holdings Limited** (Stock code: 1118) and its subsidiaries (“Golik Group”/“the Group”) announces its annual results for the year ended 31 December 2022. For the year, the Group’s revenue was approximately HK\$4,271,161,000 (2021: HK\$4,053,908,000), representing an increase of 5% compared to last year. The significant decrease in the profit for the year as compared to last year was mainly attributable to a special gain from the disposal of Mainland China business last year, and the overall greater negative impact of the COVID-19 pandemic on the Group during the year as compared to last year. Profit attributable to shareholders amounted to approximately HK\$75,673,000 (2021: HK\$197,584,000), representing a decrease of 62% compared to last year. Basic earnings per share was HK13.17 cents (2021: HK34.40 cents).

The Board of Directors has recommended a final dividend of HK3 cents per share (2021: HK3 cents per share). Together with the interim dividend of HK2 cents per share already paid, total dividends for the year will amount to HK5 cents per share.

Mr. Pang Tak Chung MH, Chairman of the Group, said, “Despite the challenging macro business environment, the Group’s management at all levels managed to maintain normal operations for all businesses during the pandemic, striving to minimize the impact of the pandemic on the business and maintaining a relatively satisfactory level of revenue and profit for the year.”

Metal products line of business comprises mainly of steel wires and steel wire rope products manufactured in Tianjin, Heshan and Jiangmen in Mainland China. Revenue for the year was approximately HK\$1,222,314,000 (2021: HK\$1,618,359,000), a decrease of 24% compared to last year. Profit before interest and taxation was approximately HK\$78,910,000 (2021: HK\$122,228,000), representing a decrease of 35% compared to last year.

The resurgence of the pandemic across Mainland China since last February, and the “dynamic zero-Covid” policy has led to significant restrictions on personnel and logistics, as well as a shrinking domestic market. The Group’s metal products business in Mainland China experienced the most difficult operating conditions since the outbreak of the pandemic, and the sluggish real estate market in Mainland China also affected the performance of the elevator wire rope business.

In recent years, the high-performance lifting rope project mainly developed in Tianjin has been able to make a profit contribution during the year, effectively offsetting the negative impact of the contraction of the elevator wire rope market due to the downturn in the Mainland China real estate market.

It is the Group’s unwavering determination to develop towards a high-end manufacturing industry, and it has been the goal of our efforts for many years. The Group places great emphasis on research and development (R&D) of high-end products with considerable investment of resources every year and has also made great achievements. In particular, the wire rope business in Tianjin has been developing into the high-end field step by step over the years, achieving a new milestone every year.

Building construction materials line of business comprises mainly of ready mixed concrete, precast concrete products and distribution and processing of construction steel products in Hong Kong. Revenue for the year was approximately HK\$3,051,937,000 (2021: HK\$2,441,607,000), an increase of 25% compared to last year. Profit before interest and taxation was approximately HK\$85,213,000 (2021: HK\$67,223,000), representing an increase of 27% compared to last year.

Hong Kong's construction industry was also affected by the pandemic during the year, with the fifth wave of the outbreak in the first quarter substantially slowing down the progress of various projects. Due to the recovery of the construction industry in Hong Kong, the overall construction volume increased and the Group participated in the supply of building construction materials for the construction of mobile cabin hospitals in the fourth quarter, the Group's delivery of building construction materials, including steel and concrete, increased during the year as compared to the previous year. However, the performance of the steel distribution business of our building construction materials business remained unsatisfactory during the year as steel prices fluctuated significantly again during the year and certain steel costs were difficult to control.

To cope with the future increase in demand for ready mixed concrete from the construction industry in Hong Kong, the Group has added a new ready mixed concrete production line in the first quarter of 2023, which is expected to further enhance the ready mixed concrete production capacity and strengthen its position in the building construction materials market.

With The Hong Kong SAR Government has announced that the average annual expenditure on public works projects will reach HK\$300 billion in the next ten years. The construction industry in Hong Kong will enjoy a sustained and stable golden period, and the Group will seize the opportunity to capitalize on its strengths and take the building construction materials business to another level.

Mr. Pang Tak Chung MH concluded, "The year 2023 marks a turning point of the pandemic in the last three years when economic activities in Mainland China and Hong Kong began to resume after the adjustment to the anti-pandemic measures. Nonetheless, it will take some time for all industries to recover to the pre-pandemic level, especially the metal manufacturing industry in Mainland China, which is still facing fierce competition from the shrinking market. It is hoped that the market will turn for the better in the second half of the year. The building construction materials business will continue to benefit from the recovery of the construction industry in Hong Kong with steady improvement."

"The Group has been in the industry for more than 45 years and has been able to grow steadily despite difficulties. Although there are still many challenges ahead, the management will continue to adopt prudent business strategies and lead all employees to overcome barriers and achieve long-term, stable and high-quality development."

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About Golik Holdings Limited (Stock Code: 1118)

Golik Holdings Limited is principally engaged in manufacturing and sales of steel, metal products and building construction materials. The Group's core businesses include steel coil processing, steel wires and steel wire rope products and ready mixed concrete, distribution and processing of construction steel products and other building construction materials in Hong Kong. Headquartered in Hong Kong, Golik Group also operates in Mainland China with factories located in Tianjin, Heshan, Dongguan and Huizhou.