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GOLIK HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 1118)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

On 8th July, 2010, the Vendor, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement to sell to the Purchaser the Property at the consideration of HK\$21,800,000.

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

THE PROVISIONAL AGREEMENT

Date

8th July, 2010

Parties to the Provisional Agreement

Vendor: Golik Properties Limited, a wholly-owned subsidiary of the Company

Purchaser: Nippon Department Store Limited, an Independent Third Party

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser is an investment holding company, the Purchaser and its ultimate beneficial owner(s) are third party(ies) independent of the Company and the connected person(s) (as defined under the Listing Rules) of the Company.

Pursuant to the Provisional Agreement, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property upon the terms contained therein. The Vendor and the Purchaser will enter into a formal agreement for sale and purchase of the Property on or before 23rd July, 2010. Completion of the Disposal shall be taken place on or before 31st August, 2010. The Provisional Agreement is not subject to any conditions precedent.

Consideration

The consideration for the Disposal of HK\$21,800,000 was arrived at after arm's length negotiations between the Vendor and the Purchaser in open market through a property agent and reference of nearby properties. On the above basis, the Directors consider the terms of the Provisional Agreement to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The consideration for the Disposal has been paid or shall be payable to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$1,000,000 has been paid by the Purchaser upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$1,180,000 shall be paid by the Purchaser upon signing of the formal agreement for sale and purchase of the Property on or before 23rd July, 2010; and
- (c) the balance shall be paid by the Purchaser upon completion of the Disposal on or before 31st August, 2010 at Vendor's solicitors in the sum of HK\$19,620,000.

INFORMATION OF THE PROPERTY

The Property is located at Ground Floor, Song Ling Industrial Building, Nos. 40/42 Ta Chuen Ping Street, Kwai Chung, New Territories. According to the valuation of the Property as at 31st December, 2009, the Property has a book value of HK\$14,300,000 and a saleable area of approximately 6,350 square feet plus a flat roof of 180 square feet. The Property is currently rented out at a monthly rental of HK\$80,000 and the Purchaser agreed to purchase the Property subject to its existing tenancy. For the two years ended 31st December, 2008 and 2009, net profits attributable to the Property amounted to approximately HK\$692,000 and HK\$824,000 respectively.

REASONS FOR THE DISPOSAL

The Group is principally engaged in the manufacturing and sales of steel and metal products and building construction materials.

With regard to the recent general property market conditions in Hong Kong, the Group is of the view that it is an opportune time to dispose of the Property and realize a satisfactory return on the Group's investment. The Disposal is expected to realize a gain of approximately HK\$7,242,000 for the Group, representing the consideration of HK\$21,800,000 in excess of the book value of the Property of HK\$14,300,000 as at 31st December, 2009 and the related professional fees payable to the property agent and legal advisor of approximately HK\$258,000.

The Directors consider that the terms of the Provisional Agreement, including the consideration, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The net proceeds from the Disposal after deducting the related professional fees payable to the property agent and legal advisor are estimated to be approximately HK\$21,542,000. Part of the net proceeds shall be applied towards the full repayment of the mortgage loan in relation to the Property, which amounted to approximately HK\$1,989,000 as at the date of the Provisional Agreement. The balance of the net proceeds of approximately HK\$19,553,000 shall be used for working capital purpose and there are no plans for any acquisition at the moment.

GENERAL

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

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the same meanings as set out below:

“Board”	the board of Directors;
“Company”	Golik Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose issued Share(s) are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement;
“Group”	the Company and its subsidiaries;
“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 the connected persons (as defined under the Listing Rules) of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	Ground Floor, Song Ling Industrial Building, Nos. 40/42 Ta Chuen Ping Street, Kwai Chung, New Territories;
“Provisional Agreement”	the provisional agreement for sale and purchase dated 8 th July, 2010 entered into between the Vendor and the Purchaser in relation to the Disposal;
“Purchaser”	Nippon Department Store Limited, the purchaser of the Property;
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company;
“Shareholder(s)”	Holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

