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GOLIK HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1118)

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2009

RESULTS

The Board of Directors of Golik Holdings Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2009 together with the comparative figures for the year ended 31st December, 2008 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31st December,	
		2009 HK\$'000	2008 HK\$'000
Revenue	3	2,933,396	3,546,116
Cost of sales		(2,560,201)	(3,262,336)
Gross profit		373,195	283,780
Other income		27,653	25,769
Interest income		1,580	2,644
Selling and distribution costs		(95,003)	(91,646)
Administrative expenses		(154,586)	(136,211)
Other gains and losses	4	(26,507)	(3,074)
Discount on acquisition of subsidiaries		–	12,000
Finance costs	5	(23,032)	(40,455)
Share of results of jointly controlled entities		(96)	(12)
Share of results of associates		–	7,392
Profit before taxation		103,204	60,187
Income taxes	6	(18,658)	(9,505)
Profit for the year	7	84,546	50,682
Other comprehensive income			
Exchange difference arising from the translation of foreign operations		190	11,617
Revaluation surplus on property, plant and equipment		–	9,117
Deferred tax liabilities arising on revaluation of property, plant and equipment		–	(1,504)
Effect on change in tax rate		–	223
		190	19,453
Total comprehensive income for the year		84,736	70,135

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

		Year ended 31st December,	
		2009	2008
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to:			
Owners of the Company		65,318	42,183
Minority interests		<u>19,228</u>	<u>8,499</u>
		<u>84,546</u>	<u>50,682</u>
Total comprehensive income attributable to:			
Owners of the Company		65,410	59,048
Minority interests		<u>19,326</u>	<u>11,087</u>
		<u>84,736</u>	<u>70,135</u>
Earnings per share			
Basic	9	<u>11.51 cents</u>	<u>7.43 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31st December,	
	Notes	2009 HK\$'000	2008 HK\$'000
Non-current Assets			
Goodwill		–	1,965
Investment properties		16,860	16,790
Property, plant and equipment		299,502	287,138
Prepaid lease payments		32,460	33,295
Interests in jointly controlled entities		1,671	1,767
Long-term receivables		–	2,462
Rental and other deposits		719	1,268
Deposits paid for acquisition of property, plant and equipment		25,768	7,000
Amounts due from jointly controlled entities		7,042	7,037
		384,022	358,722
Current Assets			
Inventories		404,252	418,471
Trade and other receivables	10	590,136	542,884
Prepaid lease payments		858	858
Income tax recoverable		263	273
Pledged bank deposits		20,572	26,203
Bank balances and cash		339,465	263,691
		1,355,546	1,252,380
Current Liabilities			
Trade and other payables	11	224,010	224,184
Amounts due to minority shareholders		4,822	21,391
Income tax payable		5,673	6,668
Derivative financial instruments		196	595
Bank borrowings		771,318	700,686
Obligations under finance leases		1,711	2,180
Bank overdrafts - unsecured		–	2,956
		1,007,730	958,660
Net Current Assets		347,816	293,720
		731,838	652,442
Capital and Reserves			
Share capital		56,736	56,736
Share premium and reserves		536,088	479,303
		592,824	536,039
Equity attributable to owners of the Company		592,824	536,039
Minority interests		92,418	88,091
		685,242	624,130
Total Equity		685,242	624,130
Non-current Liabilities			
Deferred tax liabilities		13,710	11,709
Bank borrowings		30,850	15,964
Obligations under finance leases		2,036	639
		46,596	28,312
		731,838	652,442

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations (“HK(IFRIC) - Int”) (collectively the “new and revised HKFRSs”) issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has resulted in a redesignation of the Group's reportable segments (see note 3).

Amendments to HKFRS 7 Financial Instruments: Disclosures

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments. The amendments also expand and amend the disclosures required in relation to liquidity risk which has no impact on the consolidated financial statements of the Group.

HKAS 23 (Revised) Borrowing Costs

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option available under the previous version of the Standard to recognise all borrowing costs as expenses immediately and requires all such borrowing costs to be capitalised as part of the cost of the qualifying asset. The adoption of the revised HKFRS has had no material effect on the reported results and financial position of the Group for the current or prior accounting periods. Accordingly, no prior year adjustment has been recognised.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 24 (Revised)	Related Party Disclosures ⁶
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendment)	Classification of Rights Issues ⁴
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ³
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ⁵
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ³
HKFRS 3 (Revised)	Business Combinations ¹
HKFRS 9	Financial Instruments ⁷
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁵

¹ Effective for annual periods beginning on or after 1st July, 2009

² Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate

³ Effective for annual periods beginning on or after 1st January, 2010

⁴ Effective for annual periods beginning on or after 1st February, 2010

⁵ Effective for annual periods beginning on or after 1st July, 2010

⁶ Effective for annual periods beginning on or after 1st January, 2011

⁷ Effective for annual periods beginning on or after 1st January, 2013

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1st January, 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 *Financial Instruments* introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of *Improvements to HKFRSs* issued in 2009, HKAS 17 *Leases* has been amended in relation to the classification of leasehold land. The amendments will be effective from 1st January, 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company are in the process of assessing the potential impact and so far concluded that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the financial statements of the Group.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the amounts received and receivable for goods sold by the Group to outside customers, net of discounts and sales related taxes.

The Group has adopted HKFRS 8 *Operating Segments* with effect from 1st January, 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, *Segment Reporting*) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has resulted in a redesignation of the Group's operating segments as compared with the primary segments determined in accordance with HKAS 14.

Specifically, in prior years, segment information reported externally was analysed on the basis of the category of operation for each type of goods sold (i.e. manufacturing of steel and metal products, sales of steel and metal products, manufacturing of construction materials, sales of construction materials and other operations). However, information reported to the chief operating decision maker (the Chairman and Vice Chairman of the Group) for the purposes of resource allocation and performance assessment focuses is more specifically on the category of operation for each type of goods sold. The principal categories of these goods sold are metal products and building construction materials. The Group's operating segments under HKFRS 8 are therefore as follows:

1. Metal products
2. Building construction materials
3. Other operations including plastic products and printing materials

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

The following is an analysis of the Group's revenue and results by operating segment.

For the year ended 31st December, 2009

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE					
External sales	1,640,695	1,139,476	153,225	—	2,933,396
Inter-segment sales	<u>1,698</u>	<u>2,740</u>	<u>—</u>	<u>(4,438)</u>	<u>—</u>
Total	<u>1,642,393</u>	<u>1,142,216</u>	<u>153,225</u>	<u>(4,438)</u>	<u>2,933,396</u>
SEGMENT RESULT					
	<u>90,009</u>	<u>57,187</u>	<u>4,366</u>	<u>810</u>	152,372
Unallocated other income					4,819
Unallocated corporate expenses					(28,894)
Impairment loss on goodwill					(1,965)
Finance costs					(23,032)
Share of results of jointly controlled entities					<u>(96)</u>
Profit before taxation					<u>103,204</u>

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

For the year ended 31st December, 2008

	Metal products HK\$'000	Building construction materials HK\$'000	Other operations HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE					
External sales	1,512,425	1,841,650	192,041	—	3,546,116
Inter-segment sales	1,122	567	—	(1,689)	—
Total	<u>1,513,547</u>	<u>1,842,217</u>	<u>192,041</u>	<u>(1,689)</u>	<u>3,546,116</u>
SEGMENT RESULT					
	<u>70,725</u>	<u>25,195</u>	<u>328</u>	<u>(594)</u>	95,654
Unallocated other income					5,943
Unallocated corporate expenses					(22,847)
Gain on disposal of assets classified as held for sale					6,110
Impairment loss on goodwill					(3,598)
Discount on acquisition of subsidiaries					12,000
Finance costs					(40,455)
Share of results of jointly controlled entities					(12)
Share of results of associates					<u>7,392</u>
Profit before taxation					<u>60,187</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the gross profit (loss) generated from each segment, net of selling and distribution costs and administration costs directly attributable to each segment without allocation of other income, corporate expenses, gain on disposal of assets classified as held for sale, impairment loss on goodwill, discount on acquisition of subsidiaries, finance costs, share of results of jointly controlled entities and associates. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at cost or cost plus a percentage of mark-up.

Revenue from major products

The following is an analysis of the Group's revenue from its major products:

	2009 HK\$'000	2008 HK\$'000
Metal products	1,640,695	1,512,425
Building construction materials		
- Concrete products	196,170	234,337
- Construction steel and other products	943,306	1,607,313
Others	<u>153,225</u>	<u>192,041</u>
	<u>2,933,396</u>	<u>3,546,116</u>

3. REVENUE AND SEGMENT INFORMATION (Cont'd)

Geographical information

The Group operates in two principal geographical areas, including Hong Kong and other regions in the People's Republic of China (the "PRC").

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
Hong Kong	1,444,729	2,164,933	100,959	111,480
Other regions in the PRC	1,393,882	999,060	276,018	237,731
Australia	40,308	88,647	—	—
Macau	20,123	220,071	—	—
Others	34,354	73,405	3	12
	<u>2,933,396</u>	<u>3,546,116</u>	<u>376,980</u>	<u>349,223</u>

Note: Non-current assets excluded financial instruments.

No customer has contributed over 10% of the total sales of the Group for both years.

No segment assets, liabilities and other segment information in the measure of the Group's segment result and segment assets are presented as the information is not reportable to the chief operating decision maker in the resource allocation and assessment of performance.

4. OTHER GAINS AND LOSSES

	2009 HK\$'000	2008 HK\$'000
Allowance for bad and doubtful debts, net	22,042	4,909
Impairment losses on property, plant and equipment (Note)	2,235	—
Gain on disposal of assets classified as held for sale	—	(6,110)
Loss on disposal of property, plant and equipment	335	157
(Increase) decrease in fair value on investment properties	(70)	520
Impairment loss on goodwill	1,965	3,598
	<u>26,507</u>	<u>3,074</u>

Note:

Impairment losses of HK\$2,235,000 (2008: Nil) has been recognised in respect of property, plant and equipment due to physical damage and technical obsolescence during the year.

5. FINANCE COSTS

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Interest on:		
Bank borrowings wholly repayable within five years	22,899	40,265
Finance leases	133	190
	<u>23,032</u>	<u>40,455</u>

6. INCOME TAXES

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
The charge comprises:		
Current year		
Hong Kong	3,059	3,014
Outside Hong Kong	15,232	7,284
	<u>18,291</u>	<u>10,298</u>
Overprovision in prior years		
Hong Kong	(875)	(46)
Outside Hong Kong	(758)	(20)
	<u>(1,633)</u>	<u>(66)</u>
Deferred tax		
Current year	2,000	(395)
Attributable to a change in tax rate	—	(332)
	<u>2,000</u>	<u>(727)</u>
	<u>18,658</u>	<u>9,505</u>

On 26th June, 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards. For certain Group's subsidiaries, the enterprise income tax rate is progressively increasing from 15% to 18%, 20%, 22%, 24% and 25% from 2008 to 2012 respectively. According to the Circular of the State Council on the Implementation of Transitional Preferential Policies for Enterprise Income Tax (Guofa [2007] No. 39), the tax exemption and deduction for the foreign investment enterprises is still applicable until the end of the five-year transitional period under the EIT Law.

7. PROFIT FOR THE YEAR

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	858	847
Depreciation	39,279	37,155
Change in fair value of derivative financial instruments	<u>(79)</u>	<u>(1,500)</u>

8. DIVIDEND

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Dividend paid:		
Final dividend in respect of 2008, approved and paid – 1.5 HK cents (2008: 2007 dividend paid of 1.2 HK cents) per ordinary share	<u>8,510</u>	<u>6,808</u>
Dividend proposed:		
Final dividend proposed for the year – 2.5 HK cents (2008: 1.5 HK cents) per ordinary share	<u>14,184</u>	<u>8,510</u>

The directors recommend the payment of a final dividend of 2.5 HK cents per share for the year ended 31st December, 2009 which is subject to approval by the shareholders in the annual general meeting.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the owners of the Company for the year and 567,362,500 (2008: 567,362,500) ordinary shares in issue.

10. TRADE AND OTHER RECEIVABLES

Other than the cash sales, the Group allows credit periods ranging from 30 to 90 days to its customers.

Included in trade and other receivables are trade receivables, net of allowance for doubtful debts, with an aged analysis presented based on the invoice date at the end of the reporting period as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
0 - 30 days	246,666	240,310
31 - 60 days	150,614	127,641
61 - 90 days	63,082	57,495
91 - 120 days	43,724	31,616
More than 120 days	<u>20,831</u>	<u>27,300</u>
	<u>524,917</u>	<u>484,362</u>

11. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables with an aged analysis presented based on the invoice date at the end of the reporting period as follows:

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
0 - 30 days	104,734	69,810
31 - 60 days	14,133	22,306
61 - 90 days	6,591	9,307
91 - 120 days	6,760	1,304
More than 120 days	4,567	9,936
	136,785	112,663

BUSINESS REVIEW

During the course of the year, the metal products and building construction materials businesses contributed significantly as the Group's two core operations.

In 2009, these two core operations remained fundamentally sound in the wake of the 2008 financial crisis. Despite the global economic recession and overall market weakness, these operations remained on course to achieve fair growth over the year.

For the year ended 31st December, 2009, the Group's revenue was HK\$2,933,396,000 – which is a fall of 17% over 2008. The contraction in revenue was due mainly to the softened demand for building construction materials in Hong Kong and the significant reduction of the average prices for steel products over the previous year.

After the deduction of minority interests, profit attributable to owners of the Company is HK\$65,318,000 – which is an increase of 55% over prior year.

The Board of Directors has recommended a final dividend of 2.5 HK cents per share.

Metal Products

The business comprises mainly of metal products processing and manufacturing. Revenue during the year was HK\$1,642,393,000, which is an increase of 9% over prior year. Profit before interest and taxation is HK\$90,009,000, representing an increase of 27% over prior year.

Moreover, many export market dependent metal products were impacted by the economic recession worldwide causing the business to stagnate which was most notable during the first half of the year where revenue fell sharply. On the other hand, the market in the People's Republic of China (the "PRC") was less affected by the global economic downturn and defiantly maintained steady growth during the year.

Revenue and profitability for metal products increased during the year, benefitting mostly through the acquisition of additional equity interests in the elevator rope factory in Tianjin in November, 2008. Shareholding was increased by 52.85% to 75.50%. At present, this business is in the ideal growth phase commanding market leadership with over 40% share in the PRC market.

In recent years, the domestic real estate boom in the PRC has seen the demand for elevator wire ropes grow by double-digits every year. Acknowledging the opportunity in this growth market and the strategic desire to continue in the development of high-value added metal products, the Group has increased its investment in the wire rope line by adding new equipments to boost capacity and improve quality. The new equipments are expected to be commissioned in phases throughout 2010.

BUSINESS REVIEW (Cont'd)

Building Construction Materials

The business comprises mainly of concrete and construction steel products. Revenue during the year was HK\$1,142,216,000, which is down around 38% over prior year. The decline in revenue was predominantly due to the financial tsunami actuating the suspension or the cancellation of projects in both Hong Kong and Macao – including the Cathay Pacific Cargo Terminal; The Venetian Macao Parcels 5 and 6, and so forth. Consequently the demands for concrete and construction steel were substantially weakened during the year especially in the first three quarters.

Profit before interest and taxation is HK\$57,187,000, representing an increase of 127% over prior year. The increase in profits was by in large due to the relative stability of raw material prices enabling improvements in cost management and overall profitability.

For over thirty years, the Group's building construction material business has laid solid foundation in Hong Kong and at present, the Group has become the only company in the building construction material supply chain in Hong Kong capable of supplying concrete, steel and other major building construction materials under one roof. Our mission is to offer the latest building construction materials and to provide the most professional service to the industry. During the year, the Group added two foundation engineering use products, namely H-beams and steel sheet piles. In addition, a new rebar processing centre was also established in Tai Po Industrial Estate utilizing the most advanced rebar processing equipments and software to mechanize the fabrication of rebars under factory-run conditions and away from the construction site. The generally poor conditions of traditional rebars processing on a construction site can thus be eliminated and greatly reducing the toiling involved, improving overall site conditions and reducing accident rates.

LIQUIDITY AND FINANCIAL RESOURCES

During the year under review, there was no significant change in the capital and loan structure of the Group. As at 31st December, 2009, the total bank balances and cash of the Group reached approximately HK\$360,037,000. As at 31st December, 2009, current ratio (current assets to current liabilities) for the Group was 1.35:1.

As at 31st December, 2009, total borrowings for the Group were approximately HK\$805,915,000.

The Group's monetary assets are principally denominated in Hong Kong dollars, Renminbi and United States dollars. As the exchange rate between Hong Kong dollars and the United States dollars is fixed, the Group believes its exposure to exchange risk is not material. For the fluctuation of exchange rate of Renminbi, the Management will continue to monitor foreign exchange exposure of Renminbi and will take prudence measures to minimize the currency risk.

CAPITAL STRUCTURE

During the year, there was no change to the share capital of the Company. As at 31st December, 2009, equity attributable to owners of the Company reached approximately HK\$592,824,000.

As at 31st December, 2009, net gearing ratio (borrowings minus bank balances and cash to total equity) was 0.65:1.

EMPLOYMENT AND REMUNERATION POLICY

As at 31st December, 2009, the total number of staff of the Group was 1,645. The Group also provides Mandatory Provident Fund entitlement to Hong Kong's employees. Share options may also be granted as an incentive or reward to eligible employees in accordance with the share option scheme adopted on 27th May, 2004.

PROSPECT

In 2010, we have seen signs of a progressive recovery on a macro scale following the impact of the financial crisis. More recently, the uptrend in shipping index and the strong rebound in prices of raw materials show evidence of this recovery in the manufacturing and export sectors. Efforts to stimulate demand in the PRC will remain as the core policy by the PRC Government in this coming year. Together, these factors will provide a positive effect on the market for the Group's range of metal products and the Group expects the metal product business to remain stable in the year ahead.

Furthermore, investments in infrastructure by the Hong Kong Government will enter into full swing this year. With large-scale infrastructure projects entering into the pipeline, there will be many business opportunities for Hong Kong's construction sector over the next few years and the outlook for the Group's building material business is encouraging.

Even though market competition is inevitable, we believe the overall outlook for this year is more upbeat than the past for the progression of the Group's two core businesses in metal products and building construction materials. Our management team will be adamant in setting clear objectives and sound strategies, in guarding against adverse effects to the businesses caused by fluctuations in raw material prices and other unforeseen headwinds and; in our relentless strive for improvements to raise and sustain competitiveness in the market. This will prepare us when opportunities arise and defy challenges to achieve even better results for our shareholders.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to ensuring high standards of corporate governance practices as set out in the Code on Corporate Governance Practices (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). The Company has complied with code provisions as set out in the CG Code throughout the year ended 31st December, 2009 except the following:

1. Code Provision A.2.1

The Company does not segregate the roles of chairman and chief executive officer and Mr. Pang Tak Chung currently holds both positions. The Board believes that vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, efficient usage of resources and allows for effective planning, formulation and implementation of the Company's business strategies which will enable the Company to sustain the development of its business efficiently; and

2. Code Provision A.4.1

The non-executive directors of the Company have no set term of office. All directors of the Company shall be subject to retirement by rotation at least once every three years in accordance with the Company's Bye-laws.

REVIEW OF ACCOUNTS

Disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. The Company's Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31st December, 2009.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standards set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made by the Company to each director of the Company confirming that they have complied with the required standards set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company for the year ended 31st December, 2009.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased its 300,000 ordinary shares on the Stock Exchange at an aggregate consideration of HK\$115,250. The repurchases were effected by the Directors for the enhancement of shareholders' value. Details of the repurchases are as follows:

Month of the repurchases	Total number of the ordinary shares repurchased	Highest price paid per share HK\$	Lowest price paid per share HK\$	Aggregate consideration HK\$
December, 2009	<u>300,000</u>	0.395	0.375	<u>115,250</u>

The 300,000 shares were cancelled on delivery of the share certificates subsequent to the financial year.

Apart from the above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

FINAL DIVIDEND

The Board of Directors recommend payment of a final dividend of 2.5 HK cents per share for the year ended 31st December, 2009 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 2nd June, 2010. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on Wednesday, 2nd June, 2010, the said final dividend will be paid to the Company's shareholders around 24th June, 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 26th May, 2010 to Wednesday, 2nd June, 2010 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for entitlement to the proposed final dividend for the year ended 31st December, 2009, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's branch share registrars in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 25th May, 2010.

ACKNOWLEDGEMENTS

I take this opportunity to extend my heartfelt gratitude to all employees and management for their contributions and efforts over the past, and also to our customers, shareholders, banks and business associates. With all your continued support, the Group will in rank to achieve even better results in the coming year.

By Order of the Board
Pang Tak Chung
Chairman

Hong Kong, 13th April, 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Pang Tak Chung, Mr. Ho Wai Yu, Sammy and Mr. John Cyril Fletcher, all of whom are Executive Directors, Mr. Yu Kwok Kan, Stephen, Mr. Chan Yat Yan and Mr. Lo Yip Tong are Independent Non-Executive Directors.