

【For immediate release】



高力集團有限公司
GOLIK HOLDINGS LIMITED

(Stock Code: 1118)

**Golik Holdings Announces Annual Results 2020
Profit Attributable to Shareholders Amounted to HK\$93,545,000
Proposed Final Dividend of HK3.5 Cents per Share**

(Hong Kong, 26 March 2021) — **Golik Holdings Limited** (Stock code: 1118) and its subsidiaries (“Golik Group”/“the Group”) announces its annual results for the year ended 31 December 2020. For the year, the Group’s revenue was HK\$2,991,068,000 (2019: HK\$2,803,735,000), representing an increase of approximately 7% compared to last year. The increase in income was mainly attributable to a more average growth in the two major core businesses. Profit attributable to shareholders amounted to HK\$93,545,000 (2019: Loss of HK\$6,233,000), which is a further remarkable improvement compared to last year. Basic earnings per share was HK16.29 cents (2019: Basic loss per share of HK1.10 cents).

The Board of Directors has recommended a final dividend of HK3.5 cents (2019: HK2 cents) per share.

Mr. Pang Tak Chung 潘國強, Chairman of the Group, said, “Most of our businesses were able to recover as planned for the year, and our performance was satisfactory. The Group’s building construction materials business also began to achieve better results, leading to a significant improvement in the annual performance of the Group’s building construction materials business for the year as compared to last year, which was encouraging.”

Metal products line of business comprises mainly of steel coil processing, steel wires, and steel wire rope products. Revenue for the year was HK\$1,327,239,000 (2019: HK\$1,233,605,000), an increase of approximately 8% year-over-year. Profit before interest and taxation was HK\$139,440,000 (2019: HK\$91,942,000), an increase of approximately 52% year-over-year.

Benefited from the Mainland successfully keep the COVID-19 pandemic under control, which led to various economic activities significantly stabilized in a short period of time, the Group’s steel wire and steel wire rope business in the Mainland, including Tianjin, Heshan and Jiangmen, Guangdong Province, performed well. Total production volume of steel wire and steel wire rope in the three cities reached over 110,000 tonnes for the year, which hits record high.

The Group focused on manufacturing medium to high-end steel wire rope products, which have been developed to replace imported products. After years of development, Tianjin’s high-performance lifting wire rope products have won extensive recognition from the market. Other than the elevator market, the steel wire rope products have successfully tapped into the high-end steel wire rope market in the mining, port and heavy machinery and equipment manufacturing industries. The Group will continue to invest in the research and development as well as quality management of high-end products, and endeavours to become a successful company in the production of high-end steel wire ropes in Mainland China through its dedicating efforts.

Building construction materials line of business comprises mainly of ready mixed concrete, precast concrete products and distribution and processing of construction steel products. Revenue for the year was HK\$1,674,282,000 (2019: HK\$1,561,518,000), an increase of approximately 7% year-over-year. Profit before interest and taxation was HK\$45,862,000 (2019: HK\$2,106,000), a drastic growth as compared to last year.

The poor performance of the building construction materials business in Hong Kong in the first half of the year was due to insufficient public works projects and the impact of the novel coronavirus (COVID-19) pandemic. However, in the second half of the year, especially the fourth quarter, the Group saw a marked improvement in the Hong Kong construction industry as major infrastructure projects such as expansion of the airport and Kai Tak Development Area commenced full-scale construction gradually.

Following the resignation of most of the members of the Legislative Council in the opposition party, filibuster in the Legislative Council over the funding of public works projects in the past few years is expected to end. In the latest Budget, the Financial Secretary of Hong Kong stated that the government will spend no less than HK\$100 billion on public works projects in the next few years. Total annual expenditure of Hong Kong construction industry could reach HK\$300 billion. The prospect of Hong Kong construction industry is expected to be promising. Construction steel products and ready mixed concrete in the Group's businesses are essential building construction materials for the construction industry. The Group is optimistic towards the prospect of its building construction materials business in the coming years.

Mr. Pang Tak Chung MH concluded, "With the invention of vaccines, the global COVID-19 pandemic is expected to gradually ease. Coupled with countries stepping up their efforts to stimulate their economies through major fiscal stimulus measures in the post-pandemic period, the global economy is expected to gradually recover. The recent upturn in economic activities resulted in a significant increase in the prices of upstream commodities such as steel, plastic and etc. It is expected that most of the Group's businesses will experience a pressure from the increase in prices of raw materials for a period of time. The significant fluctuations of the prices of raw materials will be the biggest challenge for the Group's businesses in the coming year."

"Despite various uncertainties and challenges ahead in the future, with the Group's solid business foundation and market position, and by virtue of the unremitting efforts from our team, the Group is confident and dedicated to undergo various challenges and achieve better returns for shareholders."

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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.