

【For immediate release】

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

Golik Holdings Announces Interim Results 2024
Profit Attributable to Shareholders Amounted to approximately HK\$61,554,000
Declaration of Interim Dividend of HK2.5 cents per Share

(Hong Kong, 27 August 2024) — **Golik Holdings Limited** (Stock code: 1118) and its subsidiaries (“Golik Group”/“the Group”) is pleased to announce its interim results for the six months ended 30 June 2024. For the period, the Group’s total revenue was approximately HK\$1,728,693,000 (2023: approximately HK\$1,961,107,000), representing a decrease of 12% over the same period last year. The decrease in revenue was mainly attributable to the drop of delivery volumes in our building construction materials business in Hong Kong as compared to the same period last year due to a number of objective factors. After deduction of profit attributable to non-controlling interests, profit attributable to shareholders of the Company amounted to approximately HK\$61,554,000 (2023: approximately HK\$63,078,000), representing a decrease of 2% over the same period last year. Basic earnings per share was HK10.72 cents (2023: HK10.98 cents).

The Board of Directors has declared an interim dividend of HK2.5 cents per share.

Metal products line of business comprises mainly of steel wires and steel wire rope products operated in Tianjin, Heshan and Jiangmen in Mainland China. Revenue for the period was approximately HK\$519,151,000 (2023: approximately HK\$551,646,000), representing a decrease of 6% over the same period of last year. Profit before interest and taxation was approximately HK\$44,235,000 (2023: approximately HK\$42,301,000), representing an increase of 5% over the same period last year.

The Mainland China’s manufacturing industry still faces the challenges of insufficient demand and intensified market competition during the period, especially as the real estate industry continues to be sluggish, with the volume of housing construction having dropped by more than half compared with the peak period, and orders from ancillary construction machinery and elevator manufacturers have dropped significantly, which has also affected the Group's wire rope business to a certain extent. During the period, the Group's efforts in developing the export market for wire ropes and the repair and maintenance market for elevator wire ropes yielded good results, effectively compensating for the loss of business due to the decline in demand from elevator OEM (original equipment manufacturer) manufacturers. However, competition in the steel wire rope market further intensified, resulting in pressure on product margins. During the period, the Group continued to review and reduce various costs, and through the unremitting efforts of the team, the profitability of metal products for the period was maintained at the same level as the same period last year.

Building construction materials line of business comprises mainly of ready mixed concrete, precast concrete products and processing and distribution of construction steel products in Hong Kong. Revenue for the period was approximately HK\$1,211,483,000 (2023: approximately HK\$1,411,114,000), representing a decrease of 14% over the same period last year. Profit before interest and taxation amounted to approximately HK\$78,392,000 (2023: approximately HK\$77,947,000), which was maintained at the level of the same period last year.

Revenue from the building construction materials business for the period decreased as compared with that of the same period last year, mainly due to the extreme weather conditions in Hong Kong in the first half of the year, where the number of days with rainfall and the amount of rainfall were much higher than normal, which affected the progress of construction works and reduced the delivery of building construction materials. In addition, the entry of several new investors into the business, resulting in increased competition in the market has also contributed to the drop of revenue in the business. In sight of this, the Group's operating strategy is to focus on the provision of high-quality value-added services to our customers rather than engaging in low-end cut-throat competition in the pursuit of volume, and to avoid operational risks as far as possible.

The Group's "off-site cut-and-bend steel processing" business, which has been in operation for more than a decade, has been recognized by the Hong Kong construction industry and the government's public works department for its ability to significantly improve the safety and working environment of construction sites and to reduce the workload of bar benders. With steady growth in business volume, the Group will further increase its investment in this area of business.

During the period, the ready mixed concrete and precast concrete business remained stable. In line with the government's efforts to improve the environment in the Yau Tong area, the Group plans to vacate the rented concrete plant in Yau Tong early next year. Recently, an additional ready mixed concrete production line has been set up in Sheung Shui, New Territories, which will have a complementary effect with the Group's existing ready mixed concrete plant in Yuen Long to serve the future "Northern Metropolis" construction project.

Mr. Pang Tak Chung MH concluded, "In order to seek sustainable development opportunities in different areas, the Group has invested in the establishment of a medical imaging centre including CT, MRI and PET-CT scanning services during the period. Good progress has been made and the renovation has been completed according to the planned schedule, with the completion of equipment installation and equipment having tested successfully, and most of the required professional licenses of the medical imaging centre have been approved and the medical staff of the medical center are basically in place, the center is expected to be put into services before the end of the year."

"With the improvement of living conditions and the growing emphasis on medical and healthcare, there is a growing demand for premium medical imaging services. The Group believes that this investment will provide the Group with an alternative to the traditional manufacturing industry, and that it will not only bring benefits to shareholders but will also help the community. The medical imaging centre is expected to start generating steady revenue for the Group in the second half of 2025."

~ End ~

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 and Huizhou.