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GOLIK

GOLIK HOLDINGS LIMITED

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

ANNUAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

The board of directors (the “Board”) 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, 2024 together with the comparative figures for the year ended 31st December, 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31st December,	
		2024	2023
		HK\$'000	HK\$'000
Revenue	3	3,445,784	4,145,653
Cost of sales		<u>(2,796,715)</u>	<u>(3,520,415)</u>
Gross profit		649,069	625,238
Other income		23,401	32,395
Selling and distribution costs		(168,168)	(171,954)
Administrative expenses		(202,782)	(184,967)
Impairment losses under expected credit losses (“ECL”) model, net of reversal		(702)	(14,715)
Other losses	5	(9,862)	(8,892)
Other expenses		(50,167)	(46,448)
Finance costs		(34,254)	(52,880)
– Interest on bank borrowings		(25,382)	(42,674)
– Interest on lease liabilities		(8,872)	(10,206)
Share of result of a joint venture		–	(114)
Share of result of an associate		<u>1,727</u>	<u>1,093</u>
Profit before taxation		208,262	178,756
Income tax expense	6	<u>(27,829)</u>	<u>(17,864)</u>
Profit for the year	7	<u>180,433</u>	<u>160,892</u>

* For identification purposes only

		Year ended 31st December,	
		2024	2023
	<i>Note</i>	HK\$'000	HK\$'000
Other comprehensive (expense) income			
Items that may be subsequently reclassified to profit or loss:			
– Exchange difference arising on translation of foreign operations		(13,429)	(8,481)
Item that will not be reclassified to profit or loss:			
– Fair value gain (loss) on an equity instrument at fair value through other comprehensive income (“FVTOCI”)		48	(1,993)
Other comprehensive expense for the year		(13,381)	(10,474)
Total comprehensive income for the year		167,052	150,418
Profit for the year attributable to:			
Shareholders of the Company		158,098	138,921
Non-controlling interests		22,335	21,971
		180,433	160,892
Total comprehensive income for the year attributable to:			
Shareholders of the Company		148,105	130,385
Non-controlling interests		18,947	20,033
		167,052	150,418
Basic earnings per share	9	HK27.53 cents	HK24.19 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	As at 31st December, 2024 <i>HK\$'000</i>	As at 31st December, 2023 <i>HK\$'000</i>
Non-current Assets			
Property, plant and equipment		524,348	465,032
Right-of-use assets		160,047	161,238
Interest in a joint venture		–	–
Interest in an associate		–	–
Amount due from an associate		4,198	2,477
Equity instrument at FVTOCI		61	13
Insurance policy assets		7,409	7,226
Rental and other deposits	10	4,413	5,646
Deposits paid for acquisition of property, plant and equipment		1,168	8,226
Loan receivables	10	2,660	1,405
		704,304	651,263
Current Assets			
Inventories		605,812	590,542
Trade, bills, loan and other receivables	10	801,455	1,025,045
Income tax recoverable		842	347
Cash and cash equivalents		599,490	652,131
		2,007,599	2,268,065
Current Liabilities			
Trade, bills and other payables	11	431,138	402,135
Contract liabilities		21,408	21,101
Lease liabilities		23,146	19,875
Amounts due to non-controlling shareholders		3,200	3,200
Income tax payable		7,879	5,318
Bank borrowings		498,724	906,133
		985,495	1,357,762
Net Current Assets		1,022,104	910,303
		1,726,408	1,561,566

	As at 31st December, 2024 <i>HK\$'000</i>	As at 31st December, 2023 <i>HK\$'000</i>
Capital and Reserves		
Share capital	57,438	57,438
Share premium and reserves	<u>1,324,759</u>	<u>1,211,092</u>
Equity attributable to shareholders of the Company	1,382,197	1,268,530
Non-controlling interests	<u>130,859</u>	<u>118,597</u>
Total Equity	<u>1,513,056</u>	<u>1,387,127</u>
Non-current Liabilities		
Deferred tax liabilities	28,973	27,192
Lease liabilities	146,370	147,247
Bank borrowings	<u>38,009</u>	<u>–</u>
	<u>213,352</u>	<u>174,439</u>
	<u>1,726,408</u>	<u>1,561,566</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. 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 (the “Stock Exchange”) and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1st January, 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 7 and HKFRS 7 Supplier Finance Arrangements

The Group has applied the amendments for the first time in the current year.

The amendments add a disclosure objective to HKAS 7 *Statement of Cash Flows* stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, HKFRS 7 *Financial Instruments: Disclosures* was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

In accordance with the transition provision, the entity is not required to disclose comparative information for any reporting periods presented before the beginning of the annual reporting period in the first year of application as well as the information required by HKAS 7:44 (b)(ii) and (b)(iii) above as at the beginning of the annual reporting period in which the entity first applies those amendments.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards – Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

- ¹ Effective for annual periods beginning on or after a date to be determined
- ² Effective for annual periods beginning on or after 1st January, 2025
- ³ Effective for annual periods beginning on or after 1st January, 2026
- ⁴ Effective for annual periods beginning on or after 1st January, 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1st January, 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1st January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

3. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers	3,445,553	4,145,469
Interest income on money lending	231	184
Total	<u>3,445,784</u>	<u>4,145,653</u>

Disaggregation of revenue from contracts with customers

For the year ended 31st December, 2024

Types of goods or service	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Other operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Sales of goods				
Steel coil processing, steel wires and wire rope products	1,087,072	–	–	1,087,072
Concrete products	–	718,276	–	718,276
Construction steel products and processing, and other construction products	–	1,485,322	–	1,485,322
Service income				
Processing income	–	83,929	–	83,929
Transportation income	–	66,737	–	66,737
Provision of medical service	–	–	4,217	4,217
Total	<u>1,087,072</u>	<u>2,354,264</u>	<u>4,217</u>	<u>3,445,553</u>
Geographical markets				
Hong Kong	11,857	2,334,515	4,217	2,350,589
Mainland China	899,042	12,392	–	911,434
Macau	–	7,321	–	7,321
Others	176,173	36	–	176,209
Total	<u>1,087,072</u>	<u>2,354,264</u>	<u>4,217</u>	<u>3,445,553</u>
Timing of revenue recognition				
A point in time	1,087,072	2,354,264	–	3,441,336
Over time	–	–	4,217	4,217
Total	<u>1,087,072</u>	<u>2,354,264</u>	<u>4,217</u>	<u>3,445,553</u>

For the year ended 31st December, 2023

Types of goods or service	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Total <i>HK\$'000</i>
Sales of goods			
Steel coil processing, steel wires and wire rope products	1,168,812	–	1,168,812
Concrete products	–	671,754	671,754
Construction steel products and processing, and other construction products	–	2,142,660	2,142,660
Service income			
Processing income	–	82,162	82,162
Transportation income	–	80,081	80,081
Total	1,168,812	2,976,657	4,145,469
Geographical markets			
Types of goods or services	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Total <i>HK\$'000</i>
Hong Kong	9,469	2,884,138	2,893,607
Mainland China	1,028,545	25,731	1,054,276
Macau	31	66,788	66,819
Others	130,767	–	130,767
Total	1,168,812	2,976,657	4,145,469
Timing of revenue recognition			
A point in time	1,168,812	2,976,657	4,145,469

Performance obligations for contracts with customers and revenue recognition policies

The Group sells metal products and building construction materials directly to corporate customers. Revenue is recognised when control of the goods has been transferred, being at the point in time when the goods are delivered to the customer's specific location.

The Group also provide processing services to the customers. Income is recognised at the point in time when the services are rendered and the relevant goods are delivered to the customer's specific location. The Group also provides transportation services to the customers. Income is recognised at the point in time when the services are rendered and the relevant goods are delivered to the customer's specific location.

The Group also provides medical services to the customers. Income is recognised over time as the customers simultaneously receive and consume the benefits provided by the Group's performance.

Other than the cash sales, the Group allows credit periods ranging from 30 to 180 days (2023: 30 to 180 days) to its customers.

Under the Group's standard contract terms, customers have a right to exchange for products. The Group uses its accumulated historical experience to estimate the number of exchange on a portfolio level. Revenue is recognised for sales which are considered highly probable that a significant reversal in the cumulative revenue recognised will not occur. A contract liability is recognised for sales in which revenue has yet been recognised.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31st December, 2024 and 2023 and the expected timing of recognising revenue are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	471,120	997,035
More than one year but within two years	838,037	306,413
Total	1,309,157	1,303,448

The timing of delivery may be varied within the contracted period and the amount disclosed represent the Group's expectation on the timing of delivery requested by customers.

Other than that, sales of building construction materials, the Group applied the practical expedient for contracts with original expected duration less than one year. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

4. OPERATING SEGMENTS

Information reported to the Chairman and Vice Chairman of the Group, being the chief operating decision makers (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on revenue analysis by types of goods or service.

Specifically, the Group’s reportable segments under HKFRS 8 *Operating Segments* are as follows:

1. Metal products
2. Building construction materials

In addition to the above reportable segments, other operating segments include provision of medical service and money lending.

Segment revenues and results

The following is an analysis of the Group’s revenue and results by operating and reportable segment:

For the year ended 31st December, 2024

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	1,087,072	2,354,264	3,441,336	4,448	–	3,445,784
Inter-segment sales	3,289	164	3,453	–	(3,453)	–
	<u>1,090,361</u>	<u>2,354,428</u>	<u>3,444,789</u>	<u>4,448</u>	<u>(3,453)</u>	<u>3,445,784</u>
Total	<u>1,090,361</u>	<u>2,354,428</u>	<u>3,444,789</u>	<u>4,448</u>	<u>(3,453)</u>	<u>3,445,784</u>
SEGMENT RESULT						
	<u>121,055</u>	<u>151,721</u>	<u>272,776</u>	<u>(15,657)</u>	<u>–</u>	<u>257,119</u>
Unallocated other income						5,102
Unallocated corporate expenses						(21,432)
Finance costs						(34,254)
– Interest on bank borrowings						(25,382)
– Interest on lease liabilities						(8,872)
Share of result of an associate						<u>1,727</u>
Profit before taxation						<u>208,262</u>

For the year ended 31st December, 2023

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	1,168,812	2,976,657	4,145,469	184	–	4,145,653
Inter-segment sales	3,527	78	3,605	–	(3,605)	–
Total	<u>1,172,339</u>	<u>2,976,735</u>	<u>4,149,074</u>	<u>184</u>	<u>(3,605)</u>	<u>4,145,653</u>
SEGMENT RESULT	<u>83,666</u>	<u>165,403</u>	<u>249,069</u>	<u>58</u>	<u>–</u>	<u>249,127</u>
Unallocated other income						4,297
Unallocated corporate expenses						(17,836)
Finance costs						(52,880)
– Interest on bank borrowings						(42,674)
– Interest on lease liabilities						(10,206)
Impairment loss on interest in joint venture						(4,931)
Share of result of a joint venture						(114)
Share of result of an associate						1,093
Profit before taxation						<u>178,756</u>

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the gross profit generated from each segment, net of selling and distribution costs and administrative expenses directly attributable to each segment without allocation of certain other income and other gains, corporate expenses, impairment losses under ECL model, net, finance costs, share of results of a joint venture and an associate, and impairment loss on interest in a joint venture. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

Other segment information

The following other segment information is included in the measure of segment result:

For the year ended 31st December, 2024

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	28,900	20,394	49,294	3,910	196	53,400
Depreciation of right-of-use assets	14,045	2,706	16,751	5,930	6,702	29,383
Impairment losses (reversal of impairment losses) under ECL model, net	(705)	1,656	951	15	(264)	702
Net write-down (reversal of write-down) of inventories	(334)	5,747	5,413	–	–	5,413
Loss on disposal of property, plant and equipment	717	8,390	9,107	–	–	9,107

For the year ended 31st December, 2023

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Reportable segment total <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Depreciation of property, plant and equipment	22,734	19,138	41,872	1	191	42,064
Depreciation of right-of-use assets	16,107	10,277	26,384	–	6,578	32,962
Impairment losses under ECL model, net	878	13,073	13,951	–	764	14,715
Net write-down (reversal of write-down) of inventories	3,244	(11,963)	(8,719)	–	–	(8,719)
Loss on disposal of property, plant and equipment	183	1,584	1,767	–	–	1,767
	<u>22,734</u>	<u>19,138</u>	<u>41,872</u>	<u>1</u>	<u>191</u>	<u>42,064</u>
	<u>16,107</u>	<u>10,277</u>	<u>26,384</u>	<u>–</u>	<u>6,578</u>	<u>32,962</u>
	<u>878</u>	<u>13,073</u>	<u>13,951</u>	<u>–</u>	<u>764</u>	<u>14,715</u>
	<u>3,244</u>	<u>(11,963)</u>	<u>(8,719)</u>	<u>–</u>	<u>–</u>	<u>(8,719)</u>
	<u>183</u>	<u>1,584</u>	<u>1,767</u>	<u>–</u>	<u>–</u>	<u>1,767</u>

Geographical information

The Group operates in two principal geographical areas, namely Hong Kong and Mainland China.

The Group's revenue from external customers is presented based on the geographical location of the customers and information about its non-current assets other than financial instruments is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	2,350,820	2,893,791	340,477	274,944
Mainland China	911,434	1,054,276	345,199	360,897
Macau	7,321	66,819	–	–
Others	176,209	130,767	–	–
	<u>3,445,784</u>	<u>4,145,653</u>	<u>685,676</u>	<u>635,841</u>

Note: Non-current assets excluded amount due from an associate, equity instrument at FVTOCI, insurance policy assets, rental deposits and loan receivables.

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

5. OTHER LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss on disposal of property, plant and equipment	9,107	1,767
Impairment loss on interest in a joint venture	–	4,931
Net exchange loss	755	2,194
	<u>9,862</u>	<u>8,892</u>

6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The charge comprises:		
Current year		
Hong Kong	7,190	5,111
Mainland China Enterprise Income Tax	16,886	14,000
Withholding tax paid for distributed profits in Mainland China	1,319	1,902
	<u>25,395</u>	<u>21,013</u>
Under (over) provision in prior years		
Hong Kong	484	(1,424)
Mainland China Enterprise Income Tax	169	(4,785)
	<u>653</u>	<u>(6,209)</u>
Deferred tax	<u>1,781</u>	<u>3,060</u>
	<u>27,829</u>	<u>17,864</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of taxable profits of qualifying group entity will be taxed at 8.25%, and taxable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Under the Law of Mainland China on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the Mainland China subsidiaries is 25% for both years. In addition, one Mainland China subsidiary of the Company in Tianjin was qualified as “High-tech Enterprises” and subject to an Enterprise Income Tax Rate of 15%, which was granted for three years starting from 2022. Another three Mainland China subsidiaries were qualified as “Small Low-profit Enterprise” in Guangdong and subject to an Enterprise Income Tax Rate of 5% for the first Renminbi (“RMB”) 1 million of taxable profits and 10% for the taxable profits above RMB1 million but not exceeding RMB3 million. Further, withholding income tax of 10% is generally imposed on dividends relating to any profits earned commencing from 2008 to foreign investors, while for some Mainland China entities held by companies incorporated in certain places, including Hong Kong, preferential tax rate of 5% will be applied according to EIT Law if such companies are the beneficial owner of over 25% of these Mainland China entities.

The EIT Law requires withholding tax to be levied on distribution of profits earned by a Mainland China entity to a Hong Kong resident company (which is the beneficial owner of the dividend received) for profits generated after 1st January, 2008 at the rate of 5%. As at 31st December, 2024 and 2023, deferred tax was provided in full in respect of the temporary differences attributable to such profits.

7. PROFIT FOR THE YEAR

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	53,400	42,064
Depreciation of right-of-use assets	29,383	32,962
Net write-down (reversal of write-down) of inventories	5,413	(8,719)
	<u>53,400</u>	<u>42,064</u>

8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends paid:		
2023 Final – HK3.5 cents (2023: 2022 Final – HK3.0 cents) per ordinary share	20,103	17,231
2024 Interim – HK2.5 cents (2023: 2023 Interim – HK2.5 cents) per ordinary share	14,360	14,360
	<u>34,463</u>	<u>31,591</u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31st December, 2024 of HK4.0 cents (2023: final dividend in respect of the year ended 31st December, 2023 of HK3.5 cents) per ordinary share, in aggregate amount of HK\$22,975,000 (2023: HK\$20,103,000) has been proposed by the directors of the Company and is subject to the approval by the shareholders in the forthcoming general meeting.

9. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit attributable to the shareholders of the Company for the year and 574,378,128 (2023: 574,378,128) ordinary shares in issue during the year.

No diluted earnings per share for the years ended 31st December, 2024 and 2023 was presented as there were no potential ordinary shares in issue during the year.

10. RENTAL AND OTHER DEPOSITS, TRADE, BILLS, LOAN AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	779,638	974,262
Less: Impairment losses under ECL model	(68,270)	(60,924)
	711,368	913,338
Bills receivables	13,395	11,269
Loan receivables	4,002	2,929
Less: Impairment losses under ECL model	(550)	(550)
	3,452	2,379
Prepayments	51,052	58,608
Rental and other deposits	22,673	27,841
Other receivables	17,353	40,095
Less: Impairment losses under ECL model	(10,765)	(21,434)
	80,313	105,110
Total trade, bills, loan and other receivables	808,528	1,032,096
Analysed for reporting purposes as:		
Current	801,455	1,025,045
Non-current – Loan receivables, net	2,660	1,405
Non-current – Rental and other deposits	4,413	5,646
	808,528	1,032,096

The following is an aged analysis of trade and bills receivables, net of allowance for credit losses presented based on the invoice date.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	295,671	391,725
31 – 60 days	233,745	318,254
61 – 90 days	127,522	126,525
91 – 120 days	42,334	45,593
More than 120 days	25,491	42,510
	724,763	924,607

The Group holds a money lender license in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and provides loan facilities to business associates referred by member companies of the Group. The Group gains interest income from provision of such loan facilities through a wholly owned subsidiary of the Company, Golik Capital Limited (“Golik Capital”).

Loan Outstanding under Money Lending Business of the Group

The following table shows the Group’s loan receivables as at 31st December, 2024 and 2023 in the book of Golik Capital categorized by natures of relevant loans:

Loans by Natures	Loan principal as at 31st December, 2024 HK\$'000	Interest rate per annum %	% of total loan principal as at 31st December, 2024 %
Installment loans, with collaterals	3,452	2.46-3.68	86.26
Loan, with personal guarantee	550	7.00	13.74
Total loan receivables	4,002		100.00
Less: Impairment losses under ECL model	(550)		
Net loan receivables	3,452		

Loans by Natures	Loan principal as at 31st December, 2023 HK\$'000	Interest rate per annum %	% of total loan principal as at 31st December, 2023 %
Installment loans, with collaterals	2,379	2.46-5.02	81.22
Loan, with personal guarantee	550	6.00	18.78
Total loan receivables	2,929		100.00
Less: Impairment losses under ECL model	(550)		
Net loan receivables	2,379		

Risk Control and Management Policies

The Group has adopted and followed a series of control procedures to regulate Golik Capital’s money lending business to ensure comprehensive risk control and management in all money lending transactions so as to safeguard the interest of the Company and its shareholders. Key internal controls adopted in this connection by the Golik Capital include know your client verification, assessment against individual credit risk, proper internal credit approval and ongoing monitoring loan recoverability as follows:

- (1) check and verify background for each loan applicant, such as to obtain comment from the loan applicant’s referrer, ask required identity documents and search other information legally available in the market as possible;
- (2) obtain credit report in respect of loan applicant’s historical payment default, if any;
- (3) obtain original collateral’s document for all secured loans to be applied;

- (4) verify authenticity as possible for all information provided by loan applicant; and
- (5) ready all documents along with an inhouse document check list, propose loan's amount for loan applicant with concluded comment from findings for internal official approval.

To minimise the Group's exposure from credit and management risk, Golik Capital would conduct regular review on each loan's performance against relevant repayment and settlement so that loan's periodical collection could be monitored and recoverability could be ensured, in case unusual loanee's practice found, identify relevant potential risks/problems of the loanee and take corresponding suitable measures as possible. Golik Capital would also periodically conduct relevant checks for loanees and loanees' guarantors against periodical guidelines, notices and sanction lists (if any) circulated by the Hong Kong Companies Registry to ensure compliance with relevant requirements and regulations under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong.

Ageing Analysis of the outstanding loans

Net loan receivables with ageing analysis presented below per maturity dates:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Not due yet	3,452	2,379
Overdue	—	—
	<u>3,452</u>	<u>2,379</u>

11. TRADE, BILLS AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	275,594	252,165
Bills payables	—	9,380
Accruals	120,540	99,121
Deposits received	14,673	14,288
Other payables	20,331	27,181
	<u>431,138</u>	<u>402,135</u>

The following is an aged analysis of trade and bills payables presented based on the invoice date.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	196,585	162,680
31 – 60 days	56,465	55,144
61 – 90 days	14,253	21,835
91 – 120 days	4,429	15,584
More than 120 days	3,862	6,302
	<u>275,594</u>	<u>261,545</u>

The credit period on purchases of goods ranges from 30 to 120 days.

BUSINESS REVIEW

During the year, metal products in Mainland China and building construction materials in Hong Kong continue to represent the Group's two core businesses.

For the year ended 31st December, 2024, the Group's total revenue was approximately HK\$3,445,784,000, representing a decrease of 17% compared to last year.

The decrease in revenue was mainly due to the decrease of delivery volumes of building construction materials in Hong Kong compared to last year.

After the deduction of the profit attributable to non-controlling interests, the profit attributable to the Company amounted to approximately HK\$158,098,000, representing an increase of 14% compared to last year.

During the year, amid a challenging macroeconomic environment, both of the Group's core businesses faced varying degrees of operational pressure, particularly the building construction materials business in Hong Kong. In a complex and ever-changing landscape with intensifying market competition, the Group continued to adopt a business strategy of seeking progress while maintaining stability, and implementing lean operations to achieve maximum efficiency, thereby providing customers with premium products and high-quality services. Through the tireless efforts of the management team and all employees, the annual performance still recorded growth compared to last year.

Metal Products

The business mainly consists of steel wires and steel wire rope products manufactured in Tianjin, Heshan and Jiangmen in Mainland China.

Revenue for the year was approximately HK\$1,090,361,000, representing a decrease of 7% compared to last year. Profit before interest and taxation was approximately HK\$121,055,000, representing an increase of 45% compared to last year.

The Mainland manufacturing industry is generally facing a decline in demand and overcapacity, leading to cut-throat competition in the market. The Group's elevator wire rope business in Mainland China is also subject to this fierce competition. With the real estate market in a prolonged downturn, the production of major elevator manufacturers has generally dropped by approximately 25% compared to last year, which has had a significant impact on the Group's elevator wire rope production and selling prices. During the year, the management actively explored the maintenance and export markets and ramped up promotion of high-performance elevator wire ropes, yielding good results and effectively offsetting the downward pressure on volume and pricing of new elevators in the elevator market. In particular, exports to Southeast Asian markets showed encouraging results. With economic recovery gaining traction in Southeast Asian countries such as Indonesia and Vietnam in recent years, there is room for developing the Group's high-performance steel wire product exports to Southeast Asia.

The high-performance lifting wire rope business continued to grow during the year. Although the domestic construction machinery manufacturing sector remained sluggish, exports of high-performance lifting wire ropes performed well, with the Group's wire rope products enjoying a good reputation for quality and service. During the year, the steel wire rope company in Tianjin was awarded the Supplier Excellence Recognition by **Caterpillar**, the world's largest manufacturer of construction machinery equipment – a testament to the Group's high-performance steel wire rope products and services earning customer recognition. The Group believes that the Group's way forward is to remain its steadfast commitment to premium products and high-quality professional services. The performance of steel wire rope products during the year was satisfactory.

Building Construction Materials

The business comprises mainly of ready mixed concrete, precast concrete products and processing and distribution of construction steel products in Hong Kong.

Revenue for the year was approximately HK\$2,354,428,000, representing a decrease of 21% compared to last year. Profit before interest and taxation was approximately HK\$151,721,000, representing a decrease of 8% compared to last year.

The construction industry in Hong Kong began to slow down within the year. The property market remained weak, with a significant decrease in new development projects by private developers, while the progress of some government public work projects also slowed down. The decrease in construction activity has led to increased market competition, and even the closure of some long-established construction companies. The Group's building construction materials business has also been affected to a certain extent.

In order to strengthen risk management, the Group has made strategic adjustments to its building construction materials business, focusing on enhancing value-added processing services and avoiding simple price competition; emphasising on operational efficiency rather than sheer scale. Although the volume of building construction materials delivered decreased during the year, the gross profit margin improved, yielding relatively satisfactory results.

It is expected that the construction industry in Hong Kong will continue to go through difficult period ahead. Hopefully in two to three years, with the gradual commencement of the "Northern Metropolis" project, the construction industry in Hong Kong will recover. The Group remains confident about the prospects of the building construction materials business in Hong Kong.

During the year, the Group invested in the establishment of **Assure Medical Imaging (AMI)**, a medical testing centre that provides comprehensive imaging laboratory services. It has been successfully put into service before the end of year as planned. Our experienced medical staff and advanced imaging equipment, including positron emission tomography-computed tomography (PET-CT), magnetic resonance imaging (MRI), computed tomography (CT) scanning, ultrasound, mammography, bone density scanning and X-ray, provide patients with a one-stop solution to ensure precise and reliable diagnosis. The medical testing centre will begin generating revenue in 2025 and will become one of the Group's operating businesses. The Group is confident that this business will generate positive returns in the long term.

PROSPECT

Looking ahead to 2025, the Group will still face multiple challenges brought about by uncertainties in the global political and economic landscape. In particular, geopolitical tensions have exacerbated uncertainties, further increasing the unpredictability of the economy and the market.

The Group is confident that its well-established business portfolio and proactive team can demonstrate their resilience effectively in this challenging environment. The Group will uphold its prudent management and pragmatic yet proactive approach. Guided by the leadership of our professional management team and the dedication of all employees, the Group will spare no effort in achieving its long-term development goals and strive to maximise shareholders returns.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31st December, 2024, the total cash and cash equivalents of the Group amounted to approximately HK\$599,490,000 (31st December, 2023: approximately HK\$652,131,000). As at 31st December, 2024, current ratio (current assets to current liabilities) for the Group was 2.04:1 (31st December, 2023: 1.67:1).

As at 31st December, 2024, the total borrowings of the Group amounted to approximately HK\$536,733,000 (31st December, 2023: approximately 906,133,000).

As at 31st December, 2024, capital commitments contracted in respect of acquisition for property, plant and equipment for the Group amounted to approximately HK\$2,263,000 (31st December, 2023: approximately HK\$86,074,000), funding for the capital commitments will be generated mainly from internal resources.

The Group's monetary assets are principally denominated in Hong Kong dollars, Renminbi and United States dollars. As Hong Kong dollars is pegged to United States dollars, the Group believes its exposure to exchange risk is limited. 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 minimise the currency risk.

CAPITAL STRUCTURE

The number of the Company's ordinary shares in issue as at 31st December, 2024 was 574,378,128 (31st December, 2023: 574,378,128).

As at 31st December, 2024, the equity attributable to the shareholders of the Company amounted to approximately HK\$1,382,197,000 (31st December, 2023: approximately HK\$1,268,530,000).

As at 31st December, 2024, net gearing ratio (total borrowings minus bank balances and cash to total equity) was -0.04:1 (31st December, 2023: 0.18:1).

EMPLOYMENT AND REMUNERATION POLICY

As at 31st December, 2024, the total number of staff of the Group was 1,483. Remuneration is determined with reference to the performance, qualifications and experience of the employees concerned and the prevailing industry practice. The Group provides Mandatory Provident Fund entitlement to Hong Kong's employees. Moreover, share options may be granted as an incentive or reward to eligible employees in accordance with the share option scheme adopted on 14th June, 2024.

CORPORATE GOVERNANCE

The Board is committed to maintain a good standard of corporate governance practices within the Group as set out in the Corporate Governance Code (the "CG Code") as contained 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 fully complied with code provisions as set out in the CG Code for the year ended 31st December, 2024.

AUDIT COMMITTEE

The Company established its Audit Committee on 5th January, 1999 with written terms of reference which are in line with the CG Code. The Audit Committee comprises three Independent Non-executive Directors namely Mr. Hai Tuen Tai, Freddie, Mr. Luk Kam Fan, Jimmy and Mr. Linn Hon Chung, Ambrose.

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, 2024.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31st December, 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 26th March, 2025. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on this preliminary announcement.

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, 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31st December, 2024.

FINAL DIVIDEND

The Board recommends payment of a final dividend of HK4.0 cents per share for the year ended 31st December, 2024 to be payable to the shareholders of the Company whose names appear on the register of members of the Company as at 25th June, 2025. Subject to the approval of the Company's shareholders at the forthcoming annual general meeting of the Company to be held on 13th June, 2025 (the "AGM"), the proposed final dividend will be paid to the Company's shareholders on 24th July, 2025.

Together with the interim dividend of HK2.5 cents per share, total dividends for the full financial year will amount to HK6.5 cents per share.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company (the “Register of Members”) will be closed for the following periods:

- | | | |
|------|-------------------------------------------------------------|--------------------------------------------------------------|
| (i) | For determining eligibility to attend and vote at the AGM: | |
| | Latest time to lodge transfers | 4:30 p.m. on 9th June, 2025 |
| | Closure of Register of Members | 10th June, 2025 to 13th June, 2025
(both dates inclusive) |
| | Record date | 13th June, 2025 |
| (ii) | For determining entitlement to the proposed final dividend: | |
| | Latest time to lodge transfers | 4:30 p.m. on 19th June, 2025 |
| | Closure of Register of Members | 20th June, 2025 to 25th June, 2025
(both dates inclusive) |
| | Record date | 25th June, 2025 |

During the above closure periods, no transfer of shares of the Company will be registered. To be eligible to attend and vote at the AGM, and to qualify for entitlement to the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the aforementioned latest time.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.golik.com). The 2024 annual report containing information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to sincerely thank each employee and management staff in abundance for their past efforts and contributions. I would also like to thank our customers, shareholders, banks and business associates for their long-term supports. With your continued support in the coming year, the Group endeavours to achieve an even better result.

By order of the Board
Golik Holdings Limited
Pang Tak Chung MH
Chairman

Hong Kong, 26th March, 2025

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Pang Tak Chung MH, Mr. Ho Wai Yu, Sammy,
Ms. Pang Wan Ping and Mr. Pang Chi To

Independent Non-executive Directors:

Mr. Hai Tuen Tai, Freddie, Mr. Luk Kam Fan, Jimmy and
Mr. Linn Hon Chung, Ambrose