
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Golik Holdings Limited, you should at once hand this circular and the accompanying form of election to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SCRIP DIVIDEND SCHEME

* For identification purpose only

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on Tuesday, 11th June, 2019
“Board”	the board of Directors
“Company”	Golik Holdings Limited, an exempted company incorporated in Bermuda with limited liability
“Director(s)”	the director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Final Dividend”	the final dividend of HK2 cents per Share for the year ended 31st December, 2018 payable to the Shareholders whose names appeared on the register of members of the Company as at the Record Date
“Germany Shareholder”	a Shareholder whose address as shown on the register of members of the Company as at the Record Date was in Germany
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Qualifying Shareholder(s)”	Shareholders whose names appeared on the register of members of the Company as at the Record Date
“Record Date”	Tuesday, 18th June, 2019, being the record date for determining entitlement to the Final Dividend
“Scrip Dividend Scheme”	the declaration of the Final Dividend in cash, with an option to elect to receive wholly or partly an allotment and issue of Shares credited as fully paid in lieu of cash payment
“Scrip Share(s)”	new Share(s) to be allotted and issued pursuant to the Scrip Dividend Scheme
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thailand Shareholder”	a Shareholder whose address as shown on the register of members of the Company as at the Record Date was in Thailand
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

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

Executive Directors:

Mr. Pang Tak Chung (*Chairman*)
Mr. Ho Wai Yu, Sammy (*Vice Chairman*)
Ms. Pang Wan Ping
Mr. Lau Ngai Fai

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. Yu Kwok Kan, Stephen
Mr. Chan Yat Yan
Mr. Lo Yip Tong

Head Office and

Principal Place of Business:
Suite 6505, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

28th June, 2019

To the Shareholders

Dear Sir or Madam,

SCRIP DIVIDEND SCHEME

INTRODUCTION

By the announcement of the results for the year ended 31st December, 2018 of the Company dated 26th March, 2019, the Directors announced that they had resolved to recommend the payment of the Final Dividend to the Shareholders whose names appeared on the register of members of the Company as at the Record Date and also to recommend the Scrip Dividend Scheme to the Qualifying Shareholders, subject to the approval of the Shareholders on the payment of the Final Dividend by way of the Scrip Dividend Scheme at the AGM and the grant by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant thereto.

At the AGM, the Final Dividend and the Scrip Dividend Scheme were approved by the Shareholders.

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SCRIP DIVIDEND SCHEME

Particulars of the Scrip Dividend Scheme

Under the Scrip Dividend Scheme, each Qualifying Shareholder has an option to elect to receive the Final Dividend:

- (a) by way of cash payment; or
- (b) by way of an allotment and issue of the Scrip Shares; or
- (c) by way of a combination of (a) and (b) above.

The number of Scrip Shares to be allotted and issued to a Qualifying Shareholder who elects either (b) or (c) above will be calculated with reference to the amount arrived at by dividing the total amount of the Final Dividend which he/she/it elects to be made payable to him/her/it by way of Scrip Shares by the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ending on (and including) the Record Date or the par value of Shares, whichever is higher.

The Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the Final Dividend. In particular, they will rank in full for all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Scrip Shares.

Basis of allotment and issue of Scrip Shares

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price per Scrip Share has been fixed by the Directors at HK\$0.65, being the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ended 18th June, 2019.

Accordingly, the number of Scrip Shares which each Qualifying Shareholder is entitled to receive under the Scrip Dividend Scheme in respect of the Shares registered under their names as at the Record Date will be calculated by the following formula:

$$\begin{array}{lcl} \text{Number of Scrip Shares} & & \text{Number of Shares held as at} \\ \text{to be received} & = & \text{the Record Date for which} \\ & & \text{the Final Dividend is to be} \\ & & \text{satisfied in Scrip Shares} \end{array} \quad \times \quad \frac{\text{HK\$0.02 (Final Dividend per Share)}}{\text{HK\$0.65 (Average Closing Price)}}$$

If all Qualifying Shareholders elect to receive the Final Dividend in Scrip Shares, based on 561,922,500 Shares held by the Qualifying Shareholders as at the close of business on the Record Date, the maximum number of Scrip Shares which may fall to be issued under the Scrip Dividend Scheme will be 17,289,923 Shares, representing approximately 3.08% of the existing total number of Shares in issue and approximately 2.99% of the total number of Shares in issue as enlarged by the issue of the Scrip Shares. If no election for the Scrip Shares were received, the total cash dividend payable by the Company would be approximately HK\$11,238,000.

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As at the Record Date, there was no outstanding share options, warrants, securities or other rights of the Company which were convertible into Shares.

The number of Scrip Shares to be allotted and issued will be rounded down to the nearest whole number of Scrip Shares and no Qualifying Shareholder is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fractional entitlements to the Scrip Shares will be aggregated and sold for the benefit of the Company.

As at the Record Date, there were one Germany Shareholder and one Thailand Shareholder. Except as disclosed above, no other Shareholders had a registered address outside Hong Kong as appeared on the register of members of the Company.

Based on the advice of the legal advisers in Germany and Thailand, extending the Scrip Dividend Scheme to the Germany Shareholder and the Thailand Shareholder is not prohibited under the relevant Germany and Thailand laws, respectively, and no approval or registration requirements have to be complied with by the Company under such laws. Therefore, the Directors have decided to extend the Scrip Dividend Scheme to the Germany Shareholder and the Thailand Shareholder.

Accordingly, all Shareholders whose names appear on the register of members of the Company on the Record Date fall within the definition of Qualifying Shareholders and are therefore eligible to participate in the Scrip Dividend Scheme. The Company will send the documents regarding the Scrip Dividend Scheme to all Qualifying Shareholders.

Advantages of the Scrip Dividend Scheme

In arriving at the decision to recommend the Scrip Dividend Scheme to the Shareholders, the Directors consider that while the Company should declare a final dividend for the year ended 31st December, 2018, the cash, which would otherwise have been paid to the Shareholders as a cash dividend, retained within the Group would be used as working capital by the Group and would enhance the Group's continuous growth. On the other hand, the Scrip Dividend Scheme will give those Qualifying Shareholders who wish to further invest in the Company the opportunity to increase their equity investment in the Company without incurring brokerage fees, stamp duty and related dealing costs.

Condition of the Scrip Dividend Scheme

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Scrip Shares.

If such condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Form of Election will be void. The Final Dividend will then be paid wholly in cash.

Form of Election

Enclosed with this circular is a Form of Election. No action is required if you wish to receive the Final Dividend to which you are entitled wholly in cash.

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If you wish to elect to receive the Final Dividend either wholly or partly in Scrip Shares, you must complete the Form of Election in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (with effect from 11th July, 2019, the Company's branch share register in Hong Kong will change its address to Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong) no later than 4:00 p.m. on Friday, 19th July, 2019. No acknowledgement of receipt of the Form of Election will be issued.

Please note that if you sign the Form of Election but do not specify the number of Shares in respect of which you wish to receive your Final Dividend in Scrip Shares or, if you elect for payment of the Final Dividend in Scrip Shares in respect of a greater number of Shares than your registered holding of Shares, then in either case you will be deemed to have exercised your election for Scrip Shares in lieu of cash in respect of all the Shares registered in your name.

If you do not complete and return the Form of Election before the time and in the manner stated above, you will receive the whole of your Final Dividend in cash.

Listing and dealings

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Scrip Shares. Subject to the Scrip Shares being admitted to listing, it is expected that certificate for the Scrip Shares and dividend cheques will be posted at the risk of those entitled to them on or about Wednesday, 31st July, 2019 and dealings in the Scrip Shares on the Stock Exchange are expected to commence on Thursday, 1st August, 2019.

No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

Recommendation and advice

Whether or not it is to your advantage to receive the Final Dividend wholly in cash or in Scrip Shares or partly in cash and partly in Scrip Shares depends upon your own individual circumstances and on the movement of the Company's share price in the market. The decision in this regard and all consequences resulting therefrom are the sole responsibility of each Qualifying Shareholder. If you are in any doubt as to what to do, you should consult your own professional adviser. This applies particularly to the Qualifying Shareholders who are trustees, who are recommended to seek professional advice as to whether they have the powers to make any relevant election and as to the effect of the election having regard to the terms of the relevant trust instrument.

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Disclosure of interests

Qualifying Shareholders should note that an acquisition of Scrip Shares under the Scrip Dividend Scheme may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Qualifying Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

Yours faithfully,
By order of the Board
Golik Holdings Limited
Pang Tak Chung
Chairman

This circular is in English and Chinese. In case of discrepancy, the English version shall prevail.