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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, 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 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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MAJOR TRANSACTION

DISPOSAL OF A SUBSIDIARY

* For identification purposes only

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DEFINITIONS

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

“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Golik Holdings Limited, an exempted company incorporated in Bermuda with limited liability, whose issued shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the SP Agreement in accordance with its terms
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the total consideration of HK\$138,000,000 payable by the Purchaser to Fulwealth under the Disposal in accordance with the terms of the SP Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan by Fulwealth to the Purchaser
“Dongguan Steel Wealth”	Dongguan Steel Wealth Metal Co., Ltd. (東莞富威鋼鐵分條有限公司), a wholly foreign owned enterprise established in the PRC which is a wholly-owned subsidiary of HK Steel Wealth
“Fulwealth”	Fulwealth Metal Factory Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company
“Golik Investments”	Golik Investments Ltd., a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is owned by Mr. Pang
“Group”	the Company and its subsidiaries
“HK Steel Wealth”	Steel Wealth Metal Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of Fulwealth
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 January 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Letter of Intent”	the letter of intent dated 16 October 2019 entered into between Fulwealth and the Purchaser in relation to the Disposal
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Pang”	Mr. Pang Tak Chung, the chairman of the Company and an executive Director
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administration Region of the People’s Republic of China and Taiwan)
“Properties”	the properties located at Dongguan City, Guangdong Province, the PRC, which consist of land use right of a plot of land with an area of 32,241 square metres and the plant on such plot of land
“Purchaser”	Madam Deng Qian
“Reference Financial Report”	unaudited consolidated financial report of HK Steel Wealth for the period up to the Completion Date to be prepared by Fulwealth
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loan”	the unsecured, non-interest bearing shareholder’s loan owed by HK Steel Wealth to Fulwealth as at the Completion Date
“Sale Share”	one share in HK Steel Wealth, being its only issued share
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“SP Agreement”	the conditional sale and purchase agreement dated 30 December 2019 between Fulwealth and the Purchaser in relation to the Disposal

DEFINITIONS

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“%” per cent

The conversion of RMB into HK\$ in this circular is based on the exchange rate of RMB1.00 to HK\$1.12. The conversion is for the purpose of illustration only and does not constitute a representation that any amount in RMB or HK\$ has been, could have been or may be converted at the above rate or at any other rates or at all.

LETTER FROM THE BOARD



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

21 January 2020

To the Shareholders

Dear Sir or Madam

MAJOR TRANSACTION

DISPOSAL OF A SUBSIDIARY

INTRODUCTION

Reference is made to the announcements of the Company dated 16 October 2019 and 30 December 2019 respectively in relation to, among others, the Disposal. On 30 December 2019, Fulwealth, a wholly-owned subsidiary of the Company, entered into the SP Agreement with the Purchaser, pursuant to which Fulwealth has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share (being the only issued share in HK Steel Wealth) and the Sale Loan at the total Consideration of HK\$138,000,000 in accordance with the terms and conditions of the SP Agreement.

The purpose of this circular is to provide you with, among others, (i) further details of the SP Agreement and the transactions contemplated thereunder; and (ii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

SP AGREEMENT

The major terms of the SP Agreement are set out below:

Date: 30 December 2019

Parties: (i) Fulwealth, a wholly-owned subsidiary of the Company, as vendor
(ii) the Purchaser, as purchaser

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

Subject matters

- (1) the Sale Share held by Fulwealth (being the only issued share in HK Steel Wealth), free from all encumbrances and together with all rights attaching thereto as from the Completion Date, including but not limited to all dividends paid, declared or made the record date for the entitlement of which falls on or after the Completion Date; and
- (2) the Sale Loan, free from all encumbrances. It is expected that the Sale Loan will amount to approximately HK\$33,960,000 at the time of Completion.

As agreed between Fulwealth and the Purchaser, the Disposal shall be effected on the basis that the consolidated assets of HK Steel Wealth shall comprise cash in the amount of not less than RMB16,654,128 and the Properties and that the consolidated liabilities of HK Steel Wealth shall comprise the Sale Loan, other than which HK Steel Wealth should have no consolidated net assets or liabilities, so that the consolidated net assets of HK Steel Wealth will amount to approximately zero (the “**Agreed Financial Positions**”).

The Disposal forms part of an internal restructuring of the Group whereby the operation of the steel decoiling centre currently under Dongguan Steel Wealth will be transferred to another wholly-owned subsidiary of Fulwealth in the PRC. The Group will continue to run such steel decoiling centre after Completion, meaning that the business of the steel decoiling centre will remain within the Group notwithstanding the Disposal. In essence, the Disposal is a means by which the Group disposes of HK Steel Wealth (together with its wholly-owned subsidiary, Dongguan Steel Wealth) with the underlying assets being the Properties to be held by HK Steel Wealth and the cash balance of RMB16,654,128 to be held by Dongguan Steel Wealth. The above transfer of the operation of the steel decoiling centre will be completed by the time of Completion. On such premise, Fulwealth and the Purchaser have agreed the basis of the Agreed Financial Positions to conclude the Disposal.

Earnest Money, Deposit and Consideration

Pursuant to the terms of the Letter of Intent, the Purchaser paid to Fulwealth on the date of the Letter of Intent a sum of HK\$20,000,000 in earnest money (the “**Earnest Money**”). As required under the terms of the SP Agreement, the Purchaser is required to pay to Fulwealth a further sum of HK\$20,000,000 as

LETTER FROM THE BOARD

deposit (the “**Deposit**”) on or before the date of the SP Agreement. Fulwealth has received the Earnest Money and the Deposit in full pursuant to the terms of the Letter of Intent and the SP Agreement respectively.

If Completion does not take place in accordance with the terms of the SP Agreement because of the default of Fulwealth, Fulwealth shall refund the Deposit to the Purchaser. Save as aforesaid, neither the Earnest Money (or any part thereof) nor the Deposit (or any part thereof) received by Fulwealth is refundable under any circumstances.

The total Consideration is HK\$138,000,000, which shall be paid by the Purchaser to Fulwealth in cash in the following manner:

- (1) the Earnest Money and the Deposit will be applied at Completion to set off against an equivalent aggregate amount of HK\$40,000,000 of the Consideration; and
- (2) the balance of HK\$98,000,000 shall be paid on or before the Completion Date.

The Consideration was determined after arm’s length negotiations between Fulwealth and the Purchaser with reference to, among other things, (i) the estimation of the fair value of the Properties held by HK Steel Wealth of approximately HK\$115,000,000; and (ii) cash in the amount of not less than RMB16,654,128 held by Dongguan Steel Wealth at the Completion Date, which represents the total amount of capital injected into Dongguan Steel Wealth by HK Steel Wealth by way of registered capital contribution.

The above fair value of the Properties was arrived at by Fulwealth (and agreed by the Purchaser) with reference to the quoted prices of similar properties (for industrial land use) located in the vicinity of the Properties in Dongguan City, the PRC and taking into account the remaining periods of the land use right of such quoted properties. The Directors are of the view that such fair value is fair and reasonable as it was determined on proper and reasonable basis and represents a good estimation of the amount that the Properties would fetch should they be put up on the market for sale as between a willing buyer and a willing seller on arm’s length negotiation.

Upon Completion, the Company expects that the excess of the Consideration of HK\$138,000,000 over the sum of (i) the unaudited carrying amount of the Properties of approximately HK\$15,307,000 held by HK Steel Wealth as at the Completion Date and (ii) cash balance of RMB16,654,128 (equivalent to approximately HK\$18,653,000) held by Dongguan Steel Wealth as at the Completion Date will be approximately HK\$104,040,000 (approximately 306%). The final excess amount at the Completion Date is subject to actual balances of items (i) and (ii) above held by HK Steel Wealth and Dongguan Steel Wealth at the Completion Date.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Conditions Precedent

Completion is conditional upon the satisfaction or (where applicable) waiver of the following:

- (1) (where applicable) the Purchaser having obtained all approvals from all relevant government departments, authorities and/or third parties for the implementation by the Purchaser of the transactions contemplated under the SP Agreement;
- (2) the Purchaser having been satisfied with the results of the due diligence review against the Sale Share and the Sale Loan;
- (3) the approval from the Shareholders for the SP Agreement and the transactions contemplated thereunder having been obtained in general meeting of the Company or by way of written approval(s) pursuant to Rule 14.44 of the Listing Rules;
- (4) the Company having despatched to the Shareholders a circular in relation to the SP Agreement and the transactions contemplated thereunder in accordance with the Listing Rules; and
- (5) the warranties given by Fulwealth under the SP Agreement remaining true and accurate and not misleading in all material respects.

The Purchaser may at its absolute discretion at any time waive in writing any of the conditions precedent set out in sub-paragraphs (2) and (5) above. Save as aforesaid, none of the conditions precedent may be waived.

If all the conditions precedent shall not have been fulfilled (or, where applicable, waived) on or before 30 September 2020 or such later date as may be agreed in writing between Fulwealth and the Purchaser (the “**Long Stop Date**”), all the rights and obligations of the parties to the SP Agreement shall cease immediately (save for the provisions relating to, among others, confidentiality, costs and expenses, notices and governing law), and no party to the SP Agreement shall have any claim against or liability to the other.

As at the Latest Practicable Date, the condition precedent set out in sub-paragraph (3) had been fulfilled.

The Long Stop Date of 30 September 2020 was agreed between Fulwealth and the Purchaser (i) to allow for the progressive transitioning of the operation of the steel decoiling centre currently run by Dongguan Steel Wealth to another wholly-owned subsidiary of Fulwealth in the PRC and (ii) to achieve the Agreed Financial Positions, which will involve, among others, the collection of trade debts owed to Dongguan Steel Wealth and the repayment of debts due to Fulwealth and other members of the Group by Dongguan Steel Wealth.

LETTER FROM THE BOARD

Completion

Subject to the fulfilment (or, where applicable, waived) in full of the conditions precedent set out in the paragraph headed “Conditions precedent” above, Completion shall take place on a date on or before 30 September 2020 (or such later date as may be agreed in writing between Fulwealth and the Purchaser) as designated by Fulwealth and the Purchaser.

In the event that the Agreed Financial Positions are not fully met as at the Completion Date, Fulwealth shall undertake in favour of the Purchaser to assist the Purchaser for a period of six months (or such longer period as may be agreed between Fulwealth and the Purchaser) commencing from the date of the Reference Financial Report as at the Completion Date to satisfy the Agreed Financial Positions.

As at 30 November 2019, the cash amount of Dongguan Steel Wealth amounted to approximately RMB9,923,000 (equivalent to approximately HK\$11,114,000). As at the Latest Practicable Date, the Properties were used by Dongguan Steel Wealth relating to its operation of a steel decoiling centre.

Upon Completion, HK Steel Wealth and Dongguan Steel Wealth will cease to be subsidiaries of the Company.

INFORMATION ON THE GROUP AND FULWEALTH

The Group is principally engaged in the manufacturing and sale of metal products and building construction materials. The Company is an investment holding company and provides corporate management services.

Fulwealth is a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company. Fulwealth acts as an investment holding company and is principally engaged in operating a steel decoiling centre in Hong Kong. Fulwealth currently has three wholly-owned subsidiaries (including HK Steel Wealth and Dongguan Steel Wealth).

INFORMATION ON THE PURCHASER

The Purchaser is a personal investor with diversified investments in the PRC and Hong Kong.

INFORMATION ON HK STEEL WEALTH AND DONGGUAN STEEL WEALTH

HK Steel Wealth is a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of Fulwealth and acts as an investment and properties holding company. HK Steel Wealth wholly owns Dongguan Steel Wealth and holds the Properties.

Dongguan Steel Wealth is a wholly foreign-owned enterprise established in the PRC, which is currently engaged in operating a steel decoiling centre located at the Properties. The steel decoiling centre processes steel coil products which include cold rolled steel, galvanised steel, aluminium coated steel, silicon steel and tinplate steel.

LETTER FROM THE BOARD

Set out below is a summary of unaudited consolidated financial information of HK Steel Wealth as prepared in accordance with Hong Kong Financial Reporting Standards for the two years ended 31 December 2018:

	For the year ended 31 December 2017	For the year ended 31 December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>approximately</i>	<i>approximately</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	17,941	155,076
		<i>(Note)</i>
Profit before taxation	3,392	4,928
Profit after taxation	2,288	3,790
	As at 31 December 2017	As at 31 December 2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>approximately</i>	<i>approximately</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Net assets	34,894	36,223

Note: Such revenue included the revenue generated from the sales of steel decoiled products of approximately HK\$145,629,000 transferred to Dongguan Steel Wealth by another wholly-owned subsidiary of Fulwealth under a group business restructuring conducted in 2018 whereby the business of sales of steel decoiled products of such subsidiary was progressively transferred to Dongguan Steel Wealth in order to scale down such subsidiary. Before 2018, Dongguan Steel Wealth only provided services for steel coiling to receive processing fees. Starting from 2018, the business of sales of steel decoiled products has been taken up by Dongguan Steel Wealth from such subsidiary. Before Completion, both the business of steel coiling processing and the business of sales of steel decoiled products will be transferred back to such subsidiary from Dongguan Steel Wealth.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Disposal is one of the Group's restructuring strategies. Through the Disposal, the Group will be able to reallocate more financial resources, in the form of the net proceeds from the Disposal, to its core business and for future development.

The Directors do not expect that the disposal of the Properties under the Disposal will have any material adverse effect on the operation of the steel decoiling centre currently run by Dongguan Steel Wealth, as it is expected that suitable properties in Dongguan City will be identified before Completion to relocate the steel decoiling business without causing any significant disruption to it.

The Directors (including the independent non-executive Directors) consider that the terms of the SP Agreement are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL IMPLICATIONS AND USE OF PROCEEDS FROM THE DISPOSAL

Upon Completion, the Company expects to recognise an unaudited estimated disposal gain of approximately HK\$103,440,000 calculated with reference to (i) the total Consideration of HK\$138,000,000 payable by the Purchaser under the Disposal; (ii) the unaudited carrying amount of the Properties of approximately HK\$15,307,000 held by HK Steel Wealth as at the Completion Date; (iii) cash balance of RMB16,654,128 (equivalent to approximately HK\$18,653,000) held by Dongguan Steel Wealth as at the Completion Date; and (iv) estimated related transaction expenses of approximately HK\$600,000 payable by the Group in connection with the Disposal. The final disposal gain at the Completion Date is subject to actual balances of relevant items (ii) and (iii) above held by HK Steel Wealth and Dongguan Steel Wealth at the Completion Date.

The net proceeds from the Disposal (after deducting transaction costs and professional expenses) are approximately HK\$137,400,000. The Group intends to use such net proceeds to strengthen the general working capital of the Group.

THE LISTING RULES IMPLICATION

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% but all of them are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements thereunder.

To the best knowledge, information and belief of the Directors, as at the Latest Practicable Date, neither the Purchaser nor any of her close associates held any Shares and therefore no Shareholder was required to abstain from voting on the proposed resolution to approve the SP Agreement and the transactions contemplated thereunder in general meeting of the Shareholders. Accordingly, the Company has obtained written approvals for the Disposal from Mr. Pang and Golik Investments, a company wholly owned by Mr. Pang, which held 163,928,082 Shares and 201,666,392 Shares respectively, representing in aggregate approximately 63.65% of the issued share capital of the Company as at the Latest Practicable Date, to dispense with the holding of a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I to II to this circular.

Yours faithfully
On behalf of the Board
Golik Holdings Limited
Pang Tak Chung
Chairman

1. INDEBTEDNESS STATEMENT

As at the close of business on 30 November 2019, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had total indebtedness as summarised below:

Borrowings

As at 30 November 2019, the Group had total outstanding borrowings of approximately HK\$781,975,000, further details of which are set out below:

- (1) bank borrowings of the Group with the total amount of approximately HK\$778,775,000, of which approximately HK\$755,641,000 were unsecured and guaranteed and approximately HK\$23,134,000 were secured by a legal charge over certain assets of the Group and guaranteed. These bank borrowings represent bank loans and trust receipt loans; and
- (2) amount due to non-controlling shareholders of the Group with the total amount of approximately HK\$3,200,000 which were unsecured and unguaranteed.

Lease liabilities

As at 30 November 2019, the Group had total outstanding lease liabilities of approximately HK\$269,666,000, of which approximately HK\$49,515,000 were due within one year and approximately HK\$220,151,000 were due more than one year. Lease liabilities of approximately HK\$68,000 were secured by the lessor's charge over the leased assets.

Pledged of assets

As at 30 November 2019, the Group had pledged its certain construction in progress under property, plant and equipment with the carrying amount of approximately HK\$81,084,000 to a bank as security against banking facilities granted to the Group.

Save as aforesaid and apart from intra-group liabilities, normal trade payables and contract liabilities in the normal course of business, at the close of business on 30 November 2019, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

2. WORKING CAPITAL SUFFICIENCY OF THE GROUP

The Directors are of the opinion that, after taking into account the Disposal, the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in the manufacturing and sale of metal products and building construction materials. The Disposal has increased sources of funding and enable the Group to reallocate more resources, in the form of the net proceeds from the Disposal, to its core business and for future development. The Directors expect that with cash and available credit facilities, the Group's financial position will remain stable and the Group's revenue will not be materially impacted after the Disposal. The Group will closely monitor the market situations and trends and will continue to strengthen its established markets. The Group will seek cooperation and development opportunities with an aim of maximizing the investment returns for its Shareholders.

4. EFFECTS OF THE DISPOSAL ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Following Completion, HK Steel Wealth and Dongguan Steel Wealth will cease to be subsidiaries of the Company and their financial results will no longer be accounted for in the Group's consolidated financial statements.

Upon Completion, the Company expects to recognise an unaudited estimated disposal gain of approximately HK\$103,440,000 which will have material effect on the earnings and assets of the Group. The final disposal gain at the Completion Date is subject to actual balances of the Properties held by HK Steel Wealth and cash balance held by Dongguan Steel Wealth as at the Completion Date.

Upon Completion, the Company expects that the unaudited consolidated assets of the Group will be increased by approximately HK\$103,440,000 and there will be no effect on total unaudited consolidated liabilities, calculated with reference to (i) the total Consideration of HK\$138,000,000 payable by the Purchaser under the Disposal; (ii) the unaudited carrying amount of the Properties of approximately HK\$15,307,000 held by HK Steel Wealth as at the Completion Date; (iii) cash balance of RMB16,654,128 (equivalent to approximately HK\$18,653,000) held by Dongguan Steel Wealth as at the Completion Date; and (iv) estimated related transaction expenses of approximately HK\$600,000 payable by the Group in connection with the Disposal. The final effect on total assets and liabilities is subject to actual balances of items (ii) and (iii) above held by HK Steel Wealth and Dongguan Steel Wealth at the Completion Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**(A) Interests of Directors and chief executive of the Company**

As at the Latest Practicable Date, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

(1) Long position*Shares of the Company*

Name of Directors	Number of Shares		Total	Percentage of issued Shares
	Personal interests (held as beneficial owner)	Corporate interests (held by controlled corporation)		
Mr. Pang Tak Chung	163,928,082	201,666,392 (Note)	365,594,474	63.65%
Mr. Ho Wai Yu, Sammy	2,000	–	2,000	0.00%
Mr. Lau Ngai Fai	103,076	–	103,076	0.02%

Note: These 201,666,392 Shares are held by Golik Investments, which is wholly owned by Mr. Pang Tak Chung.

(2) Shares in subsidiaries

As at the Latest Practicable Date, Mr. Pang Tak Chung had 5,850 non-voting deferred shares in Golik Metal Industrial Company Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(B) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors, the following person, other than the Directors or chief executives of the Company, had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Long position in Shares

<u>Name</u>	<u>Number of Shares held</u>	<u>Percentage of issued Shares</u>
Golik Investments	201,666,392	35.11%

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, there was no other person who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years preceding the Latest Practicable Date and are, or may be, material:

- (a) the Letter of Intent; and
- (b) the SP Agreement.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

5. LITIGATION

So far as is known to the Directors, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claims of material importance was pending or threatened against any member of the Group as at the Latest Practicable Date.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any proposed Director nor their respective close associates had any interests in a business, which competed or was likely to compete, either directly or indirectly, with the business of the Group which would be required to be disclosed under Rule 8.10 of the Listing Rules.

7. INTERESTS IN CONTRACTS OR ARRANGEMENTS

So far as is known to the Directors, as at the Latest Practicable Date, none of the Directors or proposed Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to or were proposed to be acquired or disposed of or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company is at Suite 6505, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Mr. Ho Wai Yu, Sammy, who is a Fellow Member of Association of Chartered Certified Accountants, an Associate Member of Hong Kong Institute of Certified Public Accountants, a Full Member of Hong Kong Computer Society, an Ordinary Member of Hong Kong Securities and Investment Institute and a founder and permanent honorable president of IT Accountants Association.
- (e) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (Saturdays and public holidays excepted) from 9:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 6:00 p.m. at the head office and principal place of business of the Company in Hong Kong for 14 days commencing from the date of this circular:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual report of the Company for the year ended 31 December 2018;
- (c) the material contracts referred to in the section headed “Material Contracts” in this appendix;
and
- (d) this circular.