

The logo for GOLIK HOLDINGS LIMITED is rendered in a large, white, sans-serif font against a solid blue background. The letters 'G', 'O', and 'L' are significantly larger than 'I', 'K', 'H', 'O', 'L', 'D', 'I', 'N', 'G', 'S', 'L', 'I', 'M', 'I', 'T', 'E', 'D'. The letters 'I', 'K', 'H', 'O', 'L', 'D', 'I', 'N', 'G', 'S', 'L', 'I', 'M', 'I', 'T', 'E', 'D' are smaller and spaced out across the width of the larger letters. A white grid pattern of thin lines is overlaid on the text, creating a technical or architectural aesthetic.

GOLIK HOLDINGS LIMITED

Stock Code: 1118

INTERIM
REPORT
2011

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. PANG Tak Chung (*Chairman*)
Mr. HO Wai Yu, Sammy (*Vice Chairman*)
Mr. John Cyril FLETCHER

Independent Non-Executive Directors

Mr. YU Kwok Kan, Stephen
Mr. CHAN Yat Yan
Mr. LO Yip Tong

COMPANY SECRETARY

Mr. HO Wai Yu, Sammy
FCCA CPA MCM

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL

PLACE OF BUSINESS

Suite 5608, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

WEBSITE

<http://www.golik.com.hk>

STOCK CODE

1118

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISORS

Troutman Sanders
W. K. To & Co.

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
BNP Paribas
CITIC Bank International Limited
DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited
Standard Chartered Bank (Hong Kong)
Limited

HONG KONG BRANCH SHARE

REGISTRAR AND TRANSFER OFFICE

Tricor Secretaries Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

INVESTOR RELATIONS

JOVIAN Financial Communications
Limited

INTERIM RESULTS

The Board of Directors of Golik Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30th June, 2011 together with the comparative unaudited figures for the corresponding period in 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

		Six months ended	
	NOTES	30.6.2011 HK\$'000 (unaudited)	30.6.2010 HK\$'000 (unaudited)
Revenue	4	1,300,600	1,573,439
Cost of sales		(1,159,301)	(1,391,240)
Gross profit		141,299	182,199
Other income		14,497	19,576
Interest income		593	645
Selling and distribution costs		(32,211)	(46,231)
Administrative expenses		(71,823)	(74,234)
Other gains and losses	5	7,635	(2,990)
Finance costs	6	(10,609)	(12,448)
Share of results of jointly controlled entities		(104)	(10)
Profit before taxation		49,277	66,507
Income taxes	7	(2,419)	(7,917)
Profit for the period	8	46,858	58,590
Other comprehensive income			
Exchange difference arising from the translation of foreign operations		5,380	2,997
Total comprehensive income for the period		52,238	61,587

	Six months ended	
	30.6.2011	30.6.2010
<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Profit for the period attributable to:		
Shareholders of the Company	43,434	52,731
Non-controlling interests	3,424	5,859
	<u>46,858</u>	<u>58,590</u>
Total comprehensive income attributable to:		
Shareholders of the Company	48,251	55,187
Non-controlling interests	3,987	6,400
	<u>52,238</u>	<u>61,587</u>
Earnings per share	<i>10</i>	
Basic	<u>7.73 HK cents</u>	<u>9.38 HK cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30TH JUNE, 2011

	NOTES	30.6.2011 HK\$'000 (unaudited)	31.12.2010 HK\$'000 (audited)
Non-current Assets			
Investment properties	11	2,880	2,880
Property, plant and equipment	11	339,270	321,451
Prepaid lease payments		16,537	16,424
Interests in jointly controlled entities		1,572	1,676
Long-term receivables		14,457	15,256
Deposits placed at insurance companies		7,986	7,214
Rental and other deposits		2,071	1,327
Deposits paid for acquisition of property, plant and equipment		17,963	13,266
Amounts due from jointly controlled entities		6,947	6,942
		409,683	386,436
Current Assets			
Inventories		558,942	421,873
Trade and other receivables	12	608,251	584,602
Prepaid lease payments		445	436
Income tax recoverable		256	351
Pledged bank deposits	16	1,755	59
Bank balances and cash		244,932	336,944
		1,414,581	1,344,265
Current Liabilities			
Trade and other payables	13	179,111	244,301
Amounts due to non-controlling interests		15,158	2,944
Income tax payable		6,473	6,327
Derivative financial instruments		885	196
Bank borrowings	14	874,607	751,979
Obligations under finance leases		1,160	1,488
		1,077,394	1,007,235
Net Current Assets		337,187	337,030
		746,870	723,466

	<i>NOTES</i>	30.6.2011 HK\$'000 (unaudited)	31.12.2010 <i>HK\$'000</i> (audited)
Capital and Reserves			
Share capital	15	56,192	56,192
Share premium and reserves		622,577	588,936
		<hr/>	<hr/>
Equity attributable to shareholders of the Company		678,769	645,128
Non-controlling interests		54,321	64,134
		<hr/>	<hr/>
Total Equity		733,090	709,262
		<hr/>	<hr/>
Non-current Liabilities			
Deferred tax liabilities		13,654	13,654
Obligations under finance leases		126	550
		<hr/>	<hr/>
		13,780	14,204
		<hr/>	<hr/>
		746,870	723,466
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

	Attributable to shareholders of the Company						Total	Non-controlling interests	Total
	Share capital	Share premium	Exchange reserve	PRC statutory reserve	Other reserve	Retained profits			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note a)	HK\$'000 (Note b)	HK\$'000	HK\$'000	HK\$'000	
At 1st January, 2010	56,736	318,118	24,856	3,389	(115)	173,649	576,633	91,871	668,504
Profit for the period	-	-	-	-	-	52,731	52,731	5,859	58,590
Other comprehensive income for the period									
Exchange difference arising from the translation of foreign operations	-	-	2,456	-	-	-	2,456	541	2,997
Total comprehensive income for the period	-	-	2,456	-	-	52,731	55,187	6,400	61,587
Shares repurchased and cancelled	(544)	(1,652)	-	-	115	-	(2,081)	-	(2,081)
Dividend paid (note 9)	-	-	-	-	-	(14,048)	(14,048)	-	(14,048)
At 30th June, 2010 (unaudited)	56,192	316,466	27,312	3,389	-	212,332	615,691	98,271	713,962
Profit for the period	-	-	-	-	-	38,137	38,137	3,437	41,574
Other comprehensive income for the period									
Exchange difference arising from the translation of foreign operations	-	-	6,141	-	-	-	6,141	1,335	7,476
Disposal of subsidiaries	-	-	(7,349)	-	-	-	(7,349)	-	(7,349)
Total comprehensive (expense) income for the period	-	-	(1,208)	-	-	38,137	36,929	4,772	41,701
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(29,055)	(29,055)
Dividends paid (note 9)	-	-	-	-	-	(6,743)	(6,743)	-	(6,743)
Acquisition of additional interest in a subsidiary	-	-	-	-	(150)	-	(150)	(350)	(500)
Equity arising on deemed disposal of part of its interest in a subsidiary	-	-	-	-	(599)	-	(599)	16,360	15,761
Disposals of subsidiaries	-	-	-	(1,460)	-	1,460	-	(30,764)	(30,764)
Transfer between reserve	-	-	-	2,020	-	(2,020)	-	-	-
Capital contributions from non-controlling interests	-	-	-	-	-	-	-	4,900	4,900
At 31st December, 2010 (audited)	56,192	316,466	26,104	3,949	(749)	243,166	645,128	64,134	709,262

Attributable to shareholders of the Company

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	PRC statutory reserve <i>HK\$'000</i> <i>(Note a)</i>	Other reserve <i>HK\$'000</i> <i>(Note b)</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Profit for the period	-	-	-	-	-	43,434	43,434	3,424	46,858
Other comprehensive income for the period									
Exchange difference arising from the translation of foreign operations	-	-	4,817	-	-	-	4,817	563	5,380
Total comprehensive income for the period	-	-	4,817	-	-	43,434	48,251	3,987	52,238
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(13,800)	(13,800)
Dividend paid <i>(note 9)</i>	-	-	-	-	-	(14,610)	(14,610)	-	(14,610)
At 30th June, 2011 (unaudited)	56,192	316,466	30,921	3,949	(749)	271,990	678,769	54,321	733,090

Notes:

- (a) The People's Republic of China (the "PRC") statutory reserve is reserve required by the relevant laws in the PRC applicable to subsidiaries in the PRC for enterprise development purposes.
- (b) Other reserve represents adjustments arising from acquisition of additional interest in a subsidiary of HK\$150,000 and deemed disposal of part of its interest in a subsidiary of HK\$599,000 during the year ended 31st December, 2010.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

	Six months ended	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(166,829)	(47,561)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(26,915)	(17,392)
Deposits paid for acquisition of property, plant and equipment	(8,462)	(4,542)
Increase in pledged bank deposits	(1,695)	(56,573)
Proceeds from disposal of property, plant and equipment	2,841	166
Receipt of consideration on disposal of a subsidiary	16,133	–
Others	166	1,415
NET CASH USED IN INVESTING ACTIVITIES	(17,932)	(76,926)
FINANCING ACTIVITIES		
Advance from non-controlling interests	12,169	416
Bank loans raised	168,049	275,529
Repayment of bank loans	(122,945)	(261,959)
Interest paid	(10,409)	(12,300)
Dividend paid	(14,610)	(14,048)
Dividend paid to non-controlling interests of a subsidiary	(13,800)	–
Net borrowing of trust receipt loans	73,588	111,883
Repayment of mortgage loans	–	(1,295)
Repayment of obligations under finance leases	(752)	(902)
Repurchase of shares	–	(2,081)
NET CASH FROM FINANCING ACTIVITIES	91,290	95,243

	Six months ended	
	30.6.2011 <i>HK\$'000</i> (unaudited)	30.6.2010 <i>HK\$'000</i> (unaudited)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(93,471)	(29,244)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	336,944	339,465
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>1,459</u>	<u>1,233</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>244,932</u>	<u>311,454</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	244,932	315,320
Bank overdrafts	<u>–</u>	<u>(3,866)</u>
	<u>244,932</u>	<u>311,454</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH JUNE, 2011

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments, which are measured at fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30th June, 2011 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31st December, 2010.

In the current interim period, the Group has applied, for the first time, a number of new or revised Standards and Interpretations (“new or revised HKFRSs”) issued by the HKICPA.

The application of the new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied new and revised Standards and Amendments that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of these new and revised Standards and Amendments upon initial application but is not yet in a position to state whether they would have material impact on the condensed consolidated financial statements of the Group.

4. REVENUE AND SEGMENT INFORMATION

The Group's operating segments, based on information reported to the chief operating decision maker (the Chairman and Vice Chairman of the Group) for the purposes of resource allocation and performance assessment, focus on the category of operation for each type of goods sold and are as follows:

1. Metal products
2. Building construction materials
3. Other operations including plastic products and printing materials

Information regarding the above segments is reported below.

The following is an analysis of the Group's revenue and results by operating segment for the period under review:

For the six months ended 30th June, 2011

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	597,584	588,757	114,259	1,300,600	-	1,300,600
Inter-segment sales	7,073	25	-	7,098	(7,098)	-
	<u>604,657</u>	<u>588,782</u>	<u>114,259</u>	<u>1,307,698</u>	<u>(7,098)</u>	<u>1,300,600</u>
Total	<u>604,657</u>	<u>588,782</u>	<u>114,259</u>	<u>1,307,698</u>	<u>(7,098)</u>	<u>1,300,600</u>
SEGMENT RESULT						
	<u>27,809</u>	<u>41,163</u>	<u>(756)</u>	<u>68,216</u>	<u>23</u>	<u>68,239</u>
Unallocated corporate other income						2,846
Unallocated corporate expenses						(11,095)
Finance costs						(10,609)
Share of results of jointly controlled entities						<u>(104)</u>
Profit before taxation						<u>49,277</u>

For the six months ended 30th June, 2010

	Metal products <i>HK\$'000</i>	Building construction materials <i>HK\$'000</i>	Other operations <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
REVENUE						
External sales	837,036	625,220	111,183	1,573,439	–	1,573,439
Inter-segment sales	<u>623</u>	<u>354</u>	<u>–</u>	<u>977</u>	<u>(977)</u>	<u>–</u>
Total	<u>837,659</u>	<u>625,574</u>	<u>111,183</u>	<u>1,574,416</u>	<u>(977)</u>	<u>1,573,439</u>
SEGMENT RESULT	<u>48,471</u>	<u>36,691</u>	<u>1,876</u>	<u>87,038</u>	<u>(385)</u>	<u>86,653</u>
Unallocated corporate other income						2,362
Unallocated corporate expenses						(15,350)
Increase in fair value of investment property						5,300
Finance costs						(12,448)
Share of results of jointly controlled entities						<u>(10)</u>
Profit before taxation						<u>66,507</u>

Segment result represents the profit (loss) earned by each segment without allocation of corporate other income, corporate expenses, finance costs, share of results of jointly controlled entities and fair value change of investment property. This is the measure reported to the chief operating decision maker (the Chairman and Vice Chairman of the Group) for the purposes of resource allocation and performance assessment.

5. OTHER GAINS AND LOSSES

	Six months ended	
	30.6.2011	30.6.2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Change in fair value of derivative financial instruments	487	(842)
Gain on disposal of property, plant and equipment	(2,157)	(141)
Impairment loss on property, plant and equipment (<i>note 11</i>)	–	3,786
Increase in fair value of investment property	–	(5,300)
Net exchange (gain) loss	(2,160)	656
(Write back of) allowance for bad and doubtful debts, net	<u>(3,805)</u>	<u>4,831</u>
	<u>(7,635)</u>	<u>2,990</u>

6. FINANCE COSTS

	Six months ended	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Interest on:		
Bank borrowings wholly repayable within five years	10,587	12,407
Finance leases	22	41
	<u>10,609</u>	<u>12,448</u>

7. INCOME TAXES

	Six months ended	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	745	1,563
PRC	1,644	5,375
	<u>2,389</u>	<u>6,938</u>
Underprovision in prior years:		
PRC	30	79
Deferred tax:		
Current period	-	900
	<u>2,419</u>	<u>7,917</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Taxation arising in the PRC is recognised based on the applicable tax rates ranged from 20% to 25% on assessable profit for both periods.

8. PROFIT FOR THE PERIOD

	Six months ended	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Profit for the period has been arrived at after charging (crediting):		
Amortisation of prepaid lease payments	220	213
Depreciation	16,744	21,427
(Reversal of) write down of inventories (included in cost of sales)	(3,892)	16,295
	<u>(3,892)</u>	<u>16,295</u>

9. DIVIDEND

During the current interim period, a final dividend of 2.6 HK cents per share in respect of the year ended 31st December, 2010 (six months ended 30th June, 2010: 2.5 HK cents per share in respect of the year ended 31st December, 2009) was declared and paid to the shareholders of the Company. The aggregate amount of the final dividend declared and paid in the current interim period amounted to HK\$14,610,000 (six months ended 30th June, 2010: HK\$14,048,000).

Subsequent to the end of the interim period, the directors have determined that an interim dividend of 1.2 HK cents per share (six months ended 30th June, 2010: 1.2 HK cents per share) will be paid to the shareholders of the Company whose names appear in the register of members of the Company on 20th September, 2011.

10. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profit for the period attributable to the shareholders of the Company of HK\$43,434,000 (six months ended 30th June, 2010: HK\$52,731,000) and 561,922,500 (six months ended 30th June, 2010: 562,446,091) weighted average number of ordinary shares in issue during the period.

11. INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT

The fair values of the Group's investment properties were determined by the directors with reference to market evidence of recent transaction prices for similar properties. There has been no material change in the fair value of investment properties for the six months ended 30th June, 2011 (six months ended 30th June, 2010: HK\$5.3 million increase in fair value of investment properties had been recognised directly in profit or loss).

During the period, the Group spent approximately HK\$31 million (six months ended 30th June, 2010: HK\$23.6 million) on assets under installation, plant and machinery and equipment, and leasehold improvements in order to expand its manufacturing capabilities. In addition, the Group disposed of furniture and fixtures, plant and machinery and equipment and motor vehicles with aggregate carrying amount of approximately HK\$0.7 million (six months ended 30th June, 2010: HK\$0.02 million).

During the period ended 30th June, 2010, impairment loss of HK\$3,786,000 had been recognised in respect of property, plant and equipment due to slower than expected development of the concrete business in the PRC market which resulted to the shortfall of the recoverable amount over the assets' carrying amount based on the value-in-use calculation.

12. TRADE AND OTHER RECEIVABLES

Other than cash sales, the Group allows credit period ranging from 30 to 90 days to its customers.

The following is an aged analysis by invoice date of trade receivables, net of allowance for doubtful debts, at the end of the reporting period:

	30.6.2011	31.12.2010
	HK\$'000	HK\$'000
0 – 30 days	241,552	246,970
31 – 60 days	155,356	147,696
61 – 90 days	75,218	61,479
91 – 120 days	39,345	36,645
More than 120 days	27,863	33,147
	539,334	525,937

13. TRADE AND OTHER PAYABLES

The following is an aged analysis by invoice date of trade payables at the end of the reporting period:

	30.6.2011	31.12.2010
	HK\$'000	HK\$'000
0 – 30 days	39,814	85,980
31 – 60 days	15,253	18,919
61 – 90 days	8,956	2,414
91 – 120 days	10,837	6,846
More than 120 days	3,003	15,612
	77,863	129,771

14. BANK BORROWINGS

During the period, the Group obtained new bank loans of HK\$168 million (six months ended 30th June, 2010: HK\$276 million), repaid bank loans and mortgage loans of HK\$123 million (six months ended 30th June, 2010: HK\$262 million) and nil (six months ended 30th June, 2010: HK\$1 million), respectively, and net borrowing of trust receipt loans of HK\$74 million (six months ended 30th June, 2010: HK\$112 million). The bank borrowings at the end of the reporting period bear interest at market rates with an average effective borrowing rates ranging from 0.7% to 2.6% (year ended 31st December, 2010: 1.21% to 7.15%) per annum.

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1st January, 2010, 30th June, 2010, 31st December, 2010 and 30th June, 2011	1,800,000,000	180,000
Issued and fully paid:		
At 1st January, 2010	567,362,500	56,736
Shares repurchased and cancelled (<i>Note</i>)	(5,440,000)	(544)
At 30th June, 2010, 31st December, 2010 and 30th June, 2011	561,922,500	56,192

Note: During the period ended 30th June, 2010, the Company repurchased 5,140,000 ordinary shares on the Stock Exchange at an aggregate consideration of HK\$2,081,100. The 5,140,000 shares were cancelled on delivery of the share certificate.

During the year ended 31st December, 2009, the Company repurchased 300,000 ordinary shares on the Stock Exchange at an aggregate consideration of HK\$115,250. The 300,000 shares were cancelled during the period ended 30th June, 2010.

16. PLEDGE OF ASSETS

At the end of the reporting period, the Group has pledged the following assets to banks and customers as securities against banking facilities granted to the Group and tender deposits and retention deposits of the construction projects:

	30.6.2011 HK\$'000	31.12.2010 HK\$'000
Buildings and prepaid lease payments	18,776	18,785
Plant and machinery and equipment	50,762	50,757
Bank deposits	1,755	59
	71,293	69,601

17. CAPITAL COMMITMENTS

	30.6.2011	31.12.2010
	HK\$'000	HK\$'000
Capital expenditure in respect of acquisition of property, plant and equipment		
– contracted for but not provided in the condensed consolidated financial statements	24,767	30,399
– authorised but not contracted for	547	1,708
	25,314	32,107

18. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following transactions with related parties:

	Trade purchases		Rental charges	
	Six months ended		Six months ended	
	30.6.2011	30.6.2010	30.6.2011	30.6.2010
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
A jointly controlled entity	392	1,044	–	–
Non-controlling interests	–	–	907	870

The related parties balances are disclosed in the condensed consolidated statement of financial position.

Compensation of key management personnel

During the period, the Group's remuneration paid to the directors, the key management personnel of the Group, are as follows:

	Six months ended	
	30.6.2011	30.6.2010
	HK\$'000	HK\$'000
Short-term benefits	7,801	6,271
Post-employment benefits	189	177
	7,990	6,448

BUSINESS REVIEW

Looking back on last year, the global economy made gradual progress towards recovery from the financial crisis, and as our business environment improved our Group's result also reflected good growth. However, in 2011 the direction of the global economy has once again turned complex with numerous challenges ahead in the business environment and a weak demand for regular export markets. The rapid growth in the China market over the years has also created new challenges for the Government as it fights to contain rapid inflation through a series of monetary measures resulting in liquidity shortages for many SMEs.

During the first half year, the Group's businesses were also subjected to external economic variability especially with our Mainland businesses. On one end there is rising inflationary pressure on labour and input costs, whilst on the other end market demand remains subdued from the volatility in commodity prices that increases raw material costs risks. As such, some of our Group's businesses took on a more cautious approach.

Overall, the Group maintained further satisfactory performance afforded by a stable building construction materials market in Hong Kong through effective control of our operating expenses.

For the half year ended 30th June, 2011, the Group's revenue was HK\$1,300,600,000, representing a decrease of 17% against the same period last year. After deduction of non-controlling interests, profit attributable to shareholders of the Company for the half year amounted to HK\$43,434,000, a decrease of 18% compared to the same period last year.

The Board of Directors has declared an interim dividend of 1.2 HK cents per share.

Metal Products

The business comprises mainly of steel coil processing, steel wire, steel wire ropes and other steel wire products processing and manufacturing. Revenue during the period was HK\$604,657,000, representing a decrease of 28% over the same period last year. Profit before interest and taxation is HK\$27,809,000, a decrease of 43% over the same period last year.

Revenue and profit for the period for metal products were less favourable than last year because of the substantially weak demands in the export markets since the second half of last year. This weak demand has not improved and our steel coil processing operations for export markets remain affected. In addition, the relocation of our elevator wire rope factory in Tianjin during the first quarter incurred additional costs and suffered production capacity losses thus affecting our overall performance during the period to some extent.

But since April, the new elevator wire rope factory in Tianjin had commenced full production. With over RMB100 million of capital investment and the coordination of our Mainland partner, Tianjin Metallurgy, the annual capacity of the new elevator wire rope factory has now increased to 30,000 tonnes per year to become the country's largest manufacturer in the industry. The new plant and equipment greatly enhance our corporate image and raise customer confidence, furthering our market leader position in elevator wire rope manufacturing. The Group believes a prospective future lies ahead for the operation through the efforts of its management and staff.

Building Construction Materials

The business comprises mainly the manufacturing of ready-mixed concrete and construction steel products distribution. During the first half year, the revenue was HK\$588,782,000, which is a decrease of 6% over the same period last year. Profit before interest and taxation is HK\$41,163,000, representing an increase of 12% over the same period last year.

The Hong Kong construction industry is expected to embark upon a golden period of 10 years under the advancement of several major infrastructure projects. However, the rollout of a number of these projects had been delayed by further scrutiny of their environmental impact assessments amongst other reasons. Hence progress is slower than anticipated and we have yet to enter this construction boom period. Nonetheless, the Hong Kong construction industry has greatly improved resulting in the Group's steady growth in performance for building construction materials.

The redevelopment of our ready-mixed concrete plant situated in Yuen Long, Hong Kong has now been completed and officially in production since July. Unlike many of our industry's peers who operate on government-leased land with strict lease terms, our site is wholly-owned by the Group giving us certain cost advantages.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30th June, 2011, the total bank balances and cash of the Group reached HK\$246,687,000 (31st December, 2010: HK\$337,003,000). As at 30th June, 2011, current ratio (current assets to current liabilities) for the Group was 1.31:1 (31st December, 2010: 1.33:1).

As at 30th June, 2011, the total borrowings for the Group were HK\$875,893,000 (31st December, 2010: HK\$754,017,000).

The Group's monetary assets are principally denominated in Hong Kong dollars, Renminbi and United States dollars. As the exchange rate between Hong Kong dollars and the United States dollars is fixed, the Group believes its exposure to exchange risk is not material. 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 minimize the currency risk.

CAPITAL STRUCTURE

During the period, there was no material change to the capital structure of the Company. The number of the Company's ordinary shares in issue as at 30th June, 2011 was 561,922,500 (31st December, 2010: 561,922,500). As at 30th June, 2011, the equity attributable to the shareholders of the Company reached HK\$678,769,000 (31st December, 2010: HK\$645,128,000).

As at 30th June, 2011, net gearing ratio (borrowings minus bank balances and cash to total equity) was 0.86:1 (31st December, 2010: 0.59:1).

EMPLOYMENT AND REMUNERATION POLICY

As at 30th June, 2011, the total number of staff of the Group was 1,307. The Group also provides Mandatory Provident Fund entitlement to Hong Kong's employees. Share options may also be granted as an incentive or reward to eligible employees in accordance with the share option scheme adopted on 27th May, 2004.

PROSPECT

Many factors are signaling a very challenging year ahead for 2011 as the world economy retreats and risks remain. In the short-term time horizon, improvements from the weak demand in Europe, the United States and our regular export markets will remain difficult and the current lows of the global economy may persist for an extended period of time. The rising costs in Mainland including labour costs, raw material price volatility and other negative factors will also continue to remain a challenge for the Group.

In the face of these challenges, the Group will continue to exercise caution and prudence with our business strategies for preparedness and cost control, whilst the Group's building construction material business will continue to reap the benefits of a reprised construction industry in Hong Kong. In spite of the overall economic uncertainties, the Group remains cautiously optimistic with our year-end results.

DIRECTORS' INTERESTS IN SECURITIES

As at 30th June, 2011, the interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(1) Long position

Shares of the Company

Name of directors	Number of ordinary shares held			Percentage of issued shares
	Personal interest	Held by controlled corporation	Total	
Mr. Pang Tak Chung (<i>Note</i>)	148,924,708	195,646,500	344,571,208	61.32%
Mr. Ho Wai Yu, Sammy	2,000	–	2,000	0.00%
Mr. John Cyril Fletcher	330,000	–	330,000	0.06%

Note:

The 195,646,500 shares are held by Golik Investments Ltd. which is wholly owned by Mr. Pang Tak Chung.

Share options

During the period, no share option had been granted under the share option scheme since its adoption on 27th May, 2004.

(2) Shares in subsidiaries

As at 30th June, 2011, Mr. Pang Tak Chung had 5,850 and 20,000 non-voting deferred shares in Golik Metal Industrial Company Limited held by himself and a controlled corporation, World Producer Limited, respectively. World Producer Limited is wholly owned by Mr. Pang Tak Chung.

Save as disclosed above, as at 30th June, 2011, none of the directors and chief executives of the Company or their respective associates had or was deemed to have any interests or short positions in any securities of the Company or any of its associated corporations and at no time during the period, had any interest in, or had been granted, or exercised, any right to subscribe for shares (or warrants or debentures, if applicable) of the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDER

As at 30th June, 2011, so far as known to any directors of the Company, the following person (other than a director or chief executive of the Company), was recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company, as being, directly or indirectly, interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Long position in shares of the Company

Name	Number of ordinary shares held	Percentage of issued shares
Golik Investments Ltd.	195,646,500	34.82%

Save as disclosed above, the directors are not aware of any other person (other than a director or chief executive of the Company) who, as at 30th June, 2011, had any interests or short positions in the shares or underlying shares of the Company of 5% or more which would fall to be disclosed pursuant to Part XV of the SFO, or as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CORPORATE GOVERNANCE

Compliance with the Code on Corporate Governance Practices

The Group is committed to ensuring high standards of corporate governance practices as set out in the Code on Corporate Governance Practices (the “CG Code”) in Appendix 14 to the Listing Rules. The Company has complied with code provisions (with the exception of code provision A.2.1 on separate role of chairman and chief executive officer; A.4.1 on specific term of non-executive directors) set out in the CG Code throughout the six months ended 30th June, 2011. Explanations for such non-compliance are provided and discussed below.

Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not segregate the roles of chairman and chief executive officer and Mr. Pang Tak Chung currently holds both positions. The Board believes that vesting the roles of both chairman and chief executive officer in the same person provides the Company with strong and consistent leadership, efficient usage of resources and allows for effective planning, formulation and implementation of the Company’s business strategies which will enable the Company to sustain the development of its business efficiently.

Terms of Non-Executive Directors

Code provision A.4.1 of the CG Code requires that non-executive directors should be appointed for a specific term and subject to re-election. The Company’s non-executive directors have no set term of office. All directors of the Company shall be subject to retirement by rotation at least once every three years in accordance with the Company’s Bye-laws.

CHANGES IN DIRECTORS' INFORMATION

The changes in directors' information since the date of 2010 Annual Report of the Company are set out below.

1. With effect from 1st March, 2011, the amount of salaries and other benefits of Mr. Pang Tak Chung, Chairman of the Company, has been increased by HK\$13,000 monthly; and
2. With effect from 1st March, 2011, the amount of salaries and other benefits of Mr. Ho Wai Yu, Sammy, Vice Chairman of the Company, has been increased by HK\$13,000 monthly.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

AUDIT COMMITTEE'S REVIEW

The Audit Committee has reviewed with the Management the accounting principles and policies adopted by the Group, the internal control and financial reporting matters (including a review of the unaudited consolidated financial statements and the interim report of the Company for the six months ended 30th June, 2011).

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 during the six months ended 30th June, 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th June, 2011.

ACKNOWLEDGEMENTS

I take this opportunity to extend my heartfelt gratitude to all employees and management staff of the Group for their continuing efforts and contributions over the past, also to our shareholders, customers, banks and business associates. With their continued support, the Group will look ahead to achieve even better results for the remaining half of the year.

By Order of the Board

Pang Tak Chung

Chairman

Hong Kong, 24th August, 2011