NGAI LIK INDUSTRIAL HOLDINGS LIMITED
毅力工業集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 332)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2009

RESULTS

The Board of Directors (the "Directors") of Ngai Lik Industrial Holdings Limited (the "Company") announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2009, together with the comparative figures, as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009

	Notes	**2009** *HK$'000*	2008 *HK$'000* (Restated)
Continuing operations			
Turnover	3	**1,538,272**	2,508,093
Cost of sales and direct expenses		**(1,673,962)**	(2,375,580)
Gross (loss) profit		**(135,690)**	132,513
Other operating expenses		**(36,488)**	(44,060)
Selling and distribution expenses		**(32,671)**	(21,820)
Administrative expenses		**(164,603)**	(96,798)
Other income		**1,632**	5,525
Impairment loss on property, plant and equipment		**(405,989)**	(5,245)
Impairment loss on on intangible assets		**(16,471)**	–
Net loss on investment properties		**(20,804)**	(78,063)
Finance costs		**(36,204)**	(43,368)
Loss before taxation	4	**(847,288)**	(151,316)
Taxation	5	**15,893**	20,328
Loss for the year from continuing operations		**(831,395)**	(130,988)
Discontinued operation	6		
Loss for the year from discontinued operation		**(84,933)**	(5,563)
Loss for the year		**(916,328)**	(136,551)
Attributable to:			
Equity holders of the Company		**(916,328)**	(136,551)
Minority interests		**–**	–
		(916,328)	(136,551)
Dividend			
– Interim, paid	7	**–**	7,930
Loss per share (in HK cents)	8		
From continuing and discontinued operations			
– basic and diluted		**(115.5)**	(17.2)
From continuing operations			
– basic and diluted		**(104.8)**	(16.5)

CONSOLIDATED BALANCE SHEET

At 31 March 2009

	Notes	2009 HK$'000	2008 HK$'000
Non-current assets			
Investment properties		**203,182**	391,181
Property, plant and equipment		**287,862**	846,393
Land use rights – non-current portion		**66,582**	70,132
Intangible assets		**–**	38,089
Deposits for acquisition of property, plant and equipment and land use rights		**766**	13,800
		558,392	1,359,595
Current assets			
Land use rights – current portion		**601**	1,653
Inventories		**130,619**	453,065
Trade and other receivables and prepayments	9	**70,790**	198,467
Taxation recoverable		**47,494**	47,494
Bank balances and cash		**33,192**	159,463
		282,696	860,142
Assets classified as held for sale	11	**230,000**	–
		512,696	860,142
Current liabilities			
Trade and other payables	10	**285,412**	307,869
Taxation payable		**84,209**	76,997
Bank and other borrowings – due within one year		**526,796**	534,710
Obligations under finance leases – due within one year		**2,835**	4,083
Provision		**15,175**	–
Bank overdraft		**1,844**	–
		916,271	923,659
Liabilities associated with assets classified as held for sale	11	**108,454**	–
		1,024,725	923,659
Net current liabilities		**(512,029)**	(63,517)
Total assets less current liabilities		**46,363**	1,296,078
Non-current liabilities			
Bank and other borrowings – due after one year		**–**	304,370
Obligations under finance leases – due after one year		**754**	3,668
Deferred taxation		**26,956**	50,059
		27,710	358,097
Net assets		**18,653**	937,981
Capital and reserves			
Share capital		**79,302**	79,302
Reserves		**(61,669)**	854,659
Equity attributable to equity holders of the Company		**17,633**	933,961
Minority interests		**1,020**	4,020
Total equity		**18,653**	937,981

Notes:

1. BASIS OF PREPARATION

The Company and its subsidiaries (the "Group") reported a consolidated loss attributable to equity holders of the Company of approximately HK$916,328,000 for the year ended 31 March 2009 (2008: HK$136,551,000) and as at 31 March 2009 the Group had net current liabilities of approximately HK$512,029,000 (2008: HK$63,517,000). During the year, and as at 31 March 2009, the Group has breached certain terms and defaulted the repayment of certain banking facilities with loan repayments in the aggregate sum of approximately HK$192 million being overdue as at 31 March 2009. As at 31 March 2009, the bank borrowings from banks in Hong Kong amounted to approximately HK$317,276,000 (2008: HK$533,333,000).

To address these issues, the Group has been in discussion and negotiation with the banks to explore the possibility of seeking a forbearance of the Group's bank borrowings and with potential investors to explore the possibility of injecting new funds into the Group through a proposed restructuring scheme.

The proposed restructuring scheme is conditional upon passing of resolutions by the independent shareholders of the Company at a special general meeting to approve the proposed capital reduction and capital reorganisation (as disclosed in the joint announcement of the Company and the board of Success Pioneer Limited (the "Subscriber") dated 24 February 2009 and referred to as the "Announcement") and other conditions and conditions precedent more fully described under sections 1.4 and 3.6 of the Announcement. The scheme, if successfully implemented, consists of, amongst other things, the following major procedures:

(i) a capital reduction through the cancellation of HK$0.09 out of HK$0.10 of the paid-up capital on each existing share of the Company;

(ii) subscription of 7,137,150,000 new shares of the Company of par value of HK$0.01 each at a subscription price of approximately HK$0.012 per share by the Subscriber, resulting in cash consideration of HK$83.5 million (as amended in the joint announcement of the Company and the Subscriber dated 28 April 2009);

(iii) a group reorganisation and creditor scheme ("Creditor Scheme"), which will split the Group into a group comprising the Company and certain subsidiaries retained under the control of the Company ("Retained Group") and a group comprising the other subsidiaries to be held outside the Retained Group ("Scheme Subsidiaries") by the independent administrators of the Creditor Scheme; and

(iv) pursuant to the proposed Creditor Scheme, if a scheme of arrangement becomes effective, all Scheme Indebtedness (as defined in the Announcement) of the Company will be released, and proceeds from future disposal of assets or business of the Scheme Subsidiaries, together with a sum of HK$73.5 million, being part of the new share subscription consideration, will be made available to the independent administrators of the Creditor Scheme to settle and discharge the Scheme Indebtedness, indebtedness and liabilities (actual or contingent) of the Retained Group and the Scheme Subsidiaries;

The Group is also actively working out different restructuring proposals (including scheme of arrangement) for the creditors of Ngai Lik Electronics Trading Limited ("NLET"), a major subsidiary of the Company which will be part of the Retained Group, if a scheme of arrangement becomes effective, such that all assets of NLET will be transferred into a separate scheme for the benefits of NLET scheme creditors.

On 13 July 2009, the Company has received a standstill letter from the Group's lending banks in Hong Kong ("HK Banks") pursuant to which the HK Banks agreed not to make demand or take any action to enforce the payment of monies under any of the existing facilities in order to facilitate the discussions of the restructuring of the existing facilities.

Subsequent to 31 March 2009, certain bank borrowings from a bank in the Mainland China became overdue. In June 2009, the Group has obtained an extension to repay the outstanding overdue loan balance from this bank of approximately HK$45,454,000 to early September 2009.

The consolidated financial statements have been prepared on a going concern basis because the proposed restructuring scheme is actively in progress and the directors of the Company are of the view that it is more probable than not that the major procedures of the proposed restructuring scheme as set out above will eventually be successfully implemented.

However, should the Group be unable to achieve a successful restructuring as mentioned above, or alternatively under other available options of restructuring, and therefore be unable to continue in business as a going concern, adjustments might have to be made to the carrying values of the Group's assets to state them at their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities, respectively.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted, for the first time, a number of amendments and interpretations of Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 April 2008.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early adopted the following new and revised standards and interpretations that have been issued but are not yet effective. The directors of the Company are in the process of assessing the potential impact and so far concluded that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

HKFRSs (Amendments)	Improvements to HKFRSs[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[3]
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives[5]
HK(IFRIC) – Int 13	Customer Loyalty Programmes[6]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[8]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

3 Effective for annual periods beginning on or after 1 January 2009

4 Effective for annual periods beginning on or after 1 July 2009

5 Effective for annual periods ending on or after 30 June 2009

6 Effective for annual periods beginning on or after 1 July 2008

7 Effective for annual periods beginning on or after 1 October 2008

8 Effective for transfers on or after 1 July 2009

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

(A) BUSINESS SEGMENTS

For management purposes, the Group is currently organised into two operating divisions - electronics manufacturing services business ("EMS business") and property investment.

The Group was also involved in the manufacturing and trading of mobile electronic products ("Mobile division") operation, which was discontinued during the year. The comparative figures have been restated to represent the corresponding segment information of that discontinued operation.

These divisions are the basis on which the Group reports its primary segment information.

The EMS business is engaged in design, manufacture and sales of electronic and electrical products while property investment is engaged in property rental and provision of management services.

Segment information about these businesses is presented below:

Year 2009

(I) CONSOLIDATED INCOME STATEMENT

	Continuing Operations			Discontinued Operation		
	EMS business *HK$'000*	**Property investment** *HK$'000*	**Total** *HK$'000*	**Mobile division** *HK$'000*	**Elimination** *HK$'000*	**Consolidated** *HK$'000*
Turnover						
External sales	1,525,438	12,834	1,538,272	312,806	–	1,851,078
Inter-segment sales	7,261	–	7,261	–	(7,261)	–
	1,532,699	12,834	1,545,533	312,806	(7,261)	1,851,078
Result						
Segment result	(752,656)	(28,321)	(780,977)	(111,252)		(892,229)
Interest income			888	68		956
Other rental income			743	14		757
Finance costs			(36,204)	(2,165)		(38,369)
Unallocated expenses			(31,739)	–		(31,739)
Settlement of trade payables at a discount			–	28,402		28,402
Loss before taxation			(847,288)	(84,933)		(932,221)
Taxation			15,893	–		15,893
Loss for the year			(831,395)	(84,933)		(916,328)

(II) CONSOLIDATED BALANCE SHEET

	EMS business *HK$'000*	**Property investment** *HK$'000*	**Consolidated** *HK$'000*
Assets			
Segment assets	554,825	435,577	990,402
Unallocated assets			80,686
			1,071,088
Liabilities			
Segment liabilities	286,313	82,707	369,020
Unallocated liabilities			683,415
			1,052,435

(III) OTHER INFORMATION

	Continuing Operations		Discontinued Operation	
	EMS business	**Property investment**	**Mobile division**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure	29,491	2,873	7,697	40,061
Depreciation and amortization	75,851	1,965	6,036	83,852
Loss on disposal of property, plant and equipment	24,775	–	1,006	25,781
Net loss on investment properties	–	20,804	–	20,804
Impairment loss on inventories	60,535	–	36,834	97,369
Impairment loss on property, plant and equipment	405,989	–	15,601	421,590
Impairment loss on trade receivables	23,357	–	4,502	27,859
Impairment loss on intangible assets	16,471	–	16,413	32,884
Impairment loss on deposits for acquisition of land use rights	–	9,563	–	9,563

Year 2008

(I) CONSOLIDATED INCOME STATEMENT

	Continuing Operations			Discontinued Operation		
	EMS business	**Property investment**	**Total**	**Mobile division**	**Elimination**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
External sales	2,493,577	14,516	2,508,093	578,879	–	3,086,972
Inter-segment sales	8,395	–	8,395	1,096	(9,491)	–
	2,501,972	14,516	2,516,488	579,975	(9,491)	3,086,972
Result						
Segment result	(12,985)	(70,562)	(83,547)	(3,388)		(86,935)
Interest income			4,457	5		4,462
Other rental income			1,068	19		1,087
Finance costs			(43,368)	(2,734)		(46,102)
Unallocated expenses			(29,926)	–		(29,926)
Loss before taxation			(151,316)	(6,098)		(157,414)
Taxation			20,328	535		20,863
Loss for the year			(130,988)	(5,563)		(136,551)

(II) CONSOLIDATED BALANCE SHEET

	EMS business *HK$'000*	Property investment *HK$'000*	Consolidated *HK$'000*
Assets			
Segment assets	1,609,092	403,688	2,012,780
Unallocated assets			206,957
			2,219,737
Liabilities			
Segment liabilities	302,278	13,342	315,620
Unallocated liabilities			966,136
			1,281,756

(III) OTHER INFORMATION

	Continuing Operations		Discontinued Operation	
	EMS business *HK$'000*	Property investment *HK$'000*	Mobile division *HK$'000*	Consolidated *HK$'000*
Capital expenditure	61,103	862	18,240	80,205
Depreciation and amortisation	94,586	–	6,612	101,198
Loss (gain) on disposal of property, plant and equipment	4,868	–	(2)	4,866
Net loss on investment properties	–	78,063	–	78,063
Impairment loss on property, plant and equipment	5,245	–	–	5,245

(B) GEOGRAPHICAL SEGMENTS

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods manufactured or services rendered:

	Turnover Year ended 31 March	
	2009	2008
	HK$'000	*HK$'000*
America	**1,022,497**	2,041,749
Europe	**476,084**	621,821
Asia	**147,998**	171,682
Others	**204,499**	251,720
	1,851,078	3,086,972

All the Group's assets and capital expenditure incurred during the year are located in the Peoples' Republic China ("PRC"). Consequently, no geographical segment asset analysis is presented.

4. LOSS BEFORE TAXATION

	Continuing Operations		Discontinued Operation		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):						
Amortisation of intangible assets, included in cost of sales	**12,936**	18,638	**3,720**	4,471	**16,656**	23,109
Amortisation of land use rights	**1,676**	1,653	**–**	–	**1,676**	1,653
Depreciation of property, plant and equipment:						
– Owned assets	**62,023**	73,018	**2,177**	2,003	**64,200**	75,021
– Assets held under finance leases	**1,181**	1,277	**139**	138	**1,320**	1,415
	63,204	74,295	**2,316**	2,141	**65,520**	76,436
Loss (gain) on disposal of property, plant and equipment	**24,775**	4,868	**1,006**	(2)	**25,781**	4,866
Interest income on bank balances and deposits	**(888)**	(4,457)	**(68)**	(5)	**(956)**	(4,462)
Gain on disposal of available-for-sale financial assets	**–**	(393)	**–**	–	**–**	(393)

5. TAXATION

	Continuing Operations		Discontinued Operation		Consolidated	
	2009	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
The credit (charge) comprises						
Current taxation						
Hong Kong						
– Underprovision in prior years	**(3,910)**	–	**–**	–	**(3,910)**	–
PRC Enterprises Income Tax						
– Provided for the year	**(3,300)**	(530)	**–**	–	**(3,300)**	(530)
– Underprovision in prior years	**–**	(1,072)	**–**	–	**–**	(1,072)
	(7,210)	(1,602)	**–**	–	**(7,210)**	(1,602)
Deferred taxation credit	**23,103**	21,930	**–**	535	**23,103**	22,465
Taxation credit for the year	**15,893**	20,328	**–**	535	**15,893**	20,863

(a) On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax from 17.5% to 16.5% effective from the year of assessment 2008/2009. Accordingly, Hong Kong Profits Tax is calculated at 16.5% (2008 :17.5%) of the estimated assessable profits for the year.

(b) Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

6. DISCONTINUED OPERATION

Weeteck Limited ("Weeteck" and formerly known as Ngai Lik Mobile Electronics Limited) was engaged in the manufacturing and trading of mobile electronic products.

On 27 March 2009, it was resolved by the sole director of Weeteck that Weeteck cannot by reason of its liabilities continue its business. Accordingly, Weeteck ceased its business trading and production during the current year. Special Resolutions were passed by the shareholders of Weeteck at the extraordinary general meeting held on 24 April 2009 to wind up Weeteck voluntarily and appoint Mr. Kong Chi How, Johnson of BDO Financial Services Limited as liquidator for the purpose of the winding-up affairs. On the same day, a meeting of the creditors of Weeteck was also held subsequently whereby the appointed Liquidator was confirmed by the creditors of Weeteck.

An analysis of the results and cash flows of the discontinued operation included in the consolidated income statement and the consolidated cash flow statement is as follows:-

LOSS FOR THE YEAR FROM DISCONTINUED OPERATION

	2009	2008
	HK$'000	*HK$'000*
Turnover	**312,806**	579,976
Cost of sales	**(371,083)**	(565,733)
Gross (loss) profit	**(58,277)**	14,243
Other operating expenses	**(1,098)**	(2,402)
Selling and distribution expenses	**(2,361)**	(1,808)
Administrative expenses	**(17,501)**	(13,420)
Other income	**81**	23
Impairment loss on property, plant and equipment	**(15,601)**	–
Impairment on intangible assets	**(16,413)**	–
Finance costs	**(2,165)**	(2,734)
Loss before taxation	**(113,335)**	(6,098)
Taxation credit *(Note 5)*	**–**	535
	(113,335)	(5,563)
Settlement of trade payable at a discount	**28,402**	–
Loss for the year from discontinued operation	**(84,933)**	(5,563)
Cash flows from discontinued operation		
Net cash from (used in) operating activities	**48,983**	(20,416)
Net cash used in investing activities	**(7,210)**	(16,307)
Net cash (used in) from financing activities	**(49,977)**	39,903
Net (decrease) increase in cash flows	**(8,204)**	3,180

7. DIVIDEND

	2009	2008
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year:		
Interim dividend paid: Nil (2008: HK1 cent) per share	**–**	7,930

No final dividend for the year ended 31 March 2009 has been proposed by the directors of the Company.

8. LOSS PER SHARE

FOR CONTINUING AND DISCONTINUED OPERATIONS

The calculation of the basic loss per share is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Loss for the year attributable to equity holders of the Company and losses for the purposes of basic loss per share	**(916,328)**	(136,551)

	Number of ordinary shares	
	2009	2008
Number of ordinary shares for the purposes of basic loss per share	**793,016,684**	793,016,684

The computation of diluted loss per share for 2009 and 2008 does not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

FROM CONTINUING OPERATIONS

The calculation of the basic loss per share is based on the following data:

	2009	2008
	HK$'000	*HK$'000*
Loss for the year attributable to equity holders of the Company and losses for the purposes of basic loss per share	**(831,395)**	(130,988)

	Number of ordinary shares	
	2009	2008
Number of ordinary shares for the purposes of basic loss per share	**793,016,684**	793,016,684

The computation of diluted loss per share for 2009 and 2008 does not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**82,057**	173,292
Less : allowance for doubtful debts	**(28,114)**	(255)
	53,943	173,037
Other receivables and prepayments	**16,847**	25,430
	70,790	198,467

Customers are generally granted credit terms of letter of credit at sight or open accounts from 7 days to 30 days. Longer credit periods are granted to several customers which have long business relationship with the Group and strong financial position.

The following is an aged analysis of trade receivables net of allowance for doubtful debts at the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
Current – 30 days	**50,736**	162,366
31– 60 days	**218**	8,909
61 – 90 days	**741**	679
Over 90 days	**2,248**	1,083
	53,943	173,037

10. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables	**86,288**	148,677
Bills payable	**4,168**	29,276
	90,456	177,953
Other payables	**194,956**	129,916
	285,412	307,869

The following is an aged analysis of trade and bills payables at the balance sheet date:

	2009	2008
	HK$'000	*HK$'000*
Current – 30 days	**53,615**	152,924
31 – 60 days	**5,269**	18,096
61 – 90 days	**3,133**	2,202
Over 90 days	**28,439**	4,731
	90,456	177,953

11. ASSETS CLASSIFIED AS HELD FOR SALE

On 4 July 2008, a subsidiary of the Company entered into a sale and purchase agreement (the "Agreement") with an independent party (the "Buyer") to dispose of one of the Group's factory premises located in Dongguan, the PRC (the "Disposal") at a consideration of HK$230 million. The premises were used partly for investment purposes and partly as the Group's manufacturing facilities during the year. The Buyer has paid deposits amounting to HK$63 million up to 31 March 2009 and has not made any further payments in accordance with the Agreement. The Group is currently negotiating with the Buyer for further payments and completion of the Disposal. The Directors of the Company are of the view that the assets will be disposed of within twelve months from the balance sheet date.

The major classes of assets and liabilities classified as held for sale at 31 March 2009 are as follows:

	HK$'000
Assets	
Investment properties	172,500
Property, plant and equipment	54,574
Land use rights	2,926
Assets classified as held for sale	230,000
Liabilities	
Deposit received	63,000
Secured bank borrowings	45,454
Liabilities associated with assets classified as held for sale	108,454

12. EXTRACT FROM INDEPENDENT AUDITORS REPORT

The auditors express an unqualified opinion but modify the auditors' report by adding emphasis of matters which auditors draw attention to the following material uncertainties :

Going concern basis

Note 2 to the consolidated financial statements indicates that the Group incurred a net loss of approximately HK$916 million during the year ended 31 march 2009 and as at that date, its current liabilities exceeded its current assets by approximately HK$512 million. Furthermore, during the year, and as at 31 March 2009, the Group has breached certain terms and defaulted on the repayment terms of certain banking facilities with loan repayments in the aggregate sum of approximately HK$192 million being overdue as at 31 March 2009. To address these issues, the Group is currently in the process of exploring the possibility of implementing a restructuring scheme details of which are more fully set out in notes 2 and 39 to the consolidated financial statements. However, the success of the proposed restructuring cannot presently be determined and accordingly these conditions indicated the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

Tax appeal

As explained in note 9 (c) to the consolidated financial statements, the hearing of the appeal in respect of the taxability of profits ("Tax Appeal") of certain subsidiaries for the years of assessment 1991/92 to 1995/96 was held on 8 July 2009 and the Company expects the Court of Final Appeal to deliver judgment in or about August 2009. In relation to the Tax Appeal, the Group has made provision of approximately HK$12.8 million, which represent the Company's directors' best estimate of the potential tax liability (included in taxation payable in the consolidated balance sheet as at 31 March 2009), and the Group has purchased tax reserve certificates totaling approximately HK$11.9 million (included in taxation recoverable in the consolidated balance sheet as at 31 March 2009) which may be used to settle the liability should it arise. Depending on the outcome of the Tax Appeal, the Group may become liable for penalties of up to three times the tax under charged. However in this respect, prior to the delivery of written judgment of the Tax Appeal, in the opinion of the directors of the Company, the amount of penalties, if any, cannot presently be determined with accuracy, and accordingly, no additional provision in this regard has been made in the consolidated financial statements.

Litigation

As explained in note 37 to the consolidated financial statements, a subsidiary of the Company is the defendant in a lawsuit claiming damages of defective products and compensation for losses of approximately HK$12 million and HK$146 million, respectively. In the opinion of the directors, the litigation is currently still premature and at the stage of collation of evidence and the eventual outcome of the lawsuit cannot presently be determined with accuracy, and accordingly no provision for any liability has been made in the consolidated financial statement.

DIVIDEND

The Board of Directors did not recommend the payment of a final dividend for year ended 31 March 2009 (2008: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The Register of Members will be closed from 17 August 2009 to 21 August 2009, both days inclusive, during which year no transfer of shares will be effected. In order to ascertain the shareholders' rights for the purpose of attending and voting at the forthcoming Annual General Meeting which will be held on 21 August 2009 at 3:00 p.m., all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 14 August 2009.

BUSINESS REVIEW

The fiscal year 2009 was an extremely difficult year for the Group. During the year, the Group has faced serious financial problems and is under restructuring. During the year, certain subsidiaries of the Company defaulted in the repayment of the outstanding amounts owing to some of the banks and financial institutions (collectively the "Banks") under the existing banking facilities owned by them to the Banks. Turnover of the Group's continuing operation for the year ended 31 March 2009 decreased by approximately 39% to approximately HK$1,538 million. The sales turnover dropped drastically, mainly because of the negative impact of the financial tsunami and the cash flow problems of the Group mainly arising from the tightened credit environment. Loss for the year ended 31 March 2009 was approximately HK$916 million and was mainly attributed to the following adverse factors:

1. Impairment loss of property, plant and equipment and intangible assets, mainly resulting in the amount of about HK$422 million from the drastic decrease in production scale of the Group and substantial decline in recoverable amount of the value of fixed assets and intangible assets which mainly represented the deferred development expenditure. Below are the major reasons thereof :-

    a. During the year, the Group has experienced a rapid and continuing deterioration in its business due to the drastically decline in turnover, customers' purchase orders, production scale and customer confidence as a consequence to the financial turmoil. The drastic decline in production scale significantly reduced the recoverable amounts of the fixed assets which is much less than their carrying value.

    b. Certain of the existing facilities and manufacturing infrastructure, including the five sets of electric generators were relatively aged or outmoded, in particular for those assets in Dongguan.

c. Subsequent to the year end date and under the process of restructuring, certain unprofitable product and business lines were identified and their operations were ceased to ensure the remaining business can provide a better contribution to the cash flow of the Group. Consequently, a lot of surplus assets including moulds are kept idle and are not in use and, significant impairment loss or write-down thereon was made.

d. During the year, in line with the strategy of consolidating and downsizing the operations of the Group, certain parcels of bare land, factory and office buildings located in the Qingyuan Industrial Estate have been or will be left vacant. Impairment loss on the properties was about HK$44 million.

e. There was a fire accident (the "Accident") in its Printed Circuit Board ("PCB") factory in Qingyuan, the PRC in March 2009. As a result of the Accident, certain of the machineries, equipment, inventories and factory building of the Group in respect of its PCB manufacturing operations were damaged. Details of the Accident were disclosed in the announcement dated 19 March 2009.

2. The gross loss was about HK$136 million for the year ended 31 March 2009 whereas these was gross profit margin of HK$133 million in previous year. It was mainly attributable to high level of overheads resulting from sub-optimal production scale, increase in royalties and impairment loss on inventories mainly resulting from cessation of production of unprofitable product lines subsequent to the year end date. Moreover, loss incurred in the operations of the Dongguan Industrial City was significant. As mentioned in the 2008 annual report, the Dongguan Industrial City had been in operation for about two decades. The existing facilities and infrastructure, including electric generators were relatively aged. The Group has significantly downsized the production capacity of Dongguan Industrial City since 2007 and rented out only a small percentage of the Dongguan Industrial City due to the weak domestic demand in Dongguan. During the year, it incurred significant overheads and was operated at sub-optimal levels with insignificant manufacturing activities. As disclosed in the Circular dated 13 August 2008, the Group has entered into the sale and purchase agreement for the disposal of Dongguan Industrial City on 4 July 2008 at a consideration of HK$230 million (the "Disposal"). The Disposal was approved by shareholders at the Special General Meeting on 8 September 2008 but the purchaser was not able to make the balance payments of HK$67 millions and HK$100 million which were due in January and June 2009 respectively. The Group has made formal demand thereon and will announce the development as necessary. In addition, redundancy payments for the lay-off of workers and provision was made for PRC employee termination benefits. During the year, the headcounts reduced from 12,000 to 6,000, as a result of the closure of certain operations and downsizing.

3. Loss arising from the closure of mobile electronics division. During the year, in view of the rapid and continuing deterioration of the mobile business division, the Group decided to re-structure the operations of the mobile electronics division. Subsequent to the balance sheet date, liquidation was approved by the creditors of Weeteck Limited (formerly known as Ngai Lik Mobile Electronics Limited) ("Weeteck"). The loss of the discontinued business was about HK$85 million. Further details regarding the liquidation of Weeteck were disclosed in the announcement on 27 April 2009.

4. Net loss on investment properties of about HK$21 million. It reflected decline in general prices in the PRC industrial properties.

5. Impairment loss on trade receivable in the amount of HK$23 million. It mainly related to a customer in UK for sales of notebooks and this customer had lodged a claim on the Group, mainly on the allegation of quality issues.

The financial crisis has caused no garden-variety recession which is more protracted. Hong Kong's exports to the North America and Europe are way down. The situation was very bad in January and February of 2009 but has recently picked up a bit as the US and European buyers need to replenish their inventory with a smaller total demand for goods. Amid the global deleverging environment, the Group also encountered financial problems mainly arising from tight liquidity and found it difficult to repay bank loans as they fell due. Tough times call for tough decisions. The Group has pursued the following initiatives (which included the preferred option of restructuring rather than being put into liquidation) during the year to deal with the unprecedented corporate difficulties during the economic downturn.

1. Corporate Rescue

With the assistance of relevant professional people specialized in the corporate reorganization, the Group had assessed the financial position and the future viability of the Group's businesses:-

a) *Causes of the Corporate Difficulties*

The Group had analysed the causes and severity of its financial difficulties. The following are the salient points:-

- As a result of the financial turmoil, the declining sales caused a serious cash flow problem for the Group. Sales for the month of December 2008 dropped to about HK$46 million only which is about 72% below of corresponding month in prior year. Moreover, the Group's financial leverage had reached high level mainly to finance the expansion in Qingyuan i.e. capital expenditure incurred for the construction of Qingyuan Industrial City and the acquisition of plant and machinery during the past several years. Moreover, the shareholder funds drastically decreased to HK$18 million, mainly due to the significant loss incurred during the year. The about 33 times of debt to equity ratio reflected the over-gearing of the Group.

- The net current liabilities position had made it difficult for the Group to meet its obligations owing to banks on a timely basis.

b) *Business Viability Assessment*

In December 2008, the Group had performed an objective assessment of the potential future viability of its businesses. The core business of the Group (i.e. the EMS division) is deemed to be potentially viable, based on the following grounds:

- The core management team stays with the Group. They are considered to be loyal, trustworthy and competent, with most of them working for the Group for a long period of time, and are committed to achieving a turnaround of the Group.

- The economic and industry outlook is relatively more stable as numerous factories in the PRC closed down since the year 2008 resulting in less severe competition.

- The product lines of the Group's EMS division still receive stable demands from its customers. The management of the Group had met most of the customers and suppliers and found them supportive to the Group.

- The going concern value of the Group is considered greater than the liquidation value. In particular, the Group has several properties in industrial plants in Dongguan and Qingyuan which are equipped with lots of machineries and equipment.

- It is also likely that investors may be attracted to the Company because of its long history and good reputation in the industry.

c) *Our actions taken*

The Group had put most of its efforts to rescue itself. Unprofitable products and business lines were identified and closed down. As mentioned above, the mobile division was liquidated April 2009.

The Group also worked diligently to further reduce costs and improve margins. The Group had aggressively reduced costs, downsized the operations and used its best endeavours to maintain its business as usual.

2. **Negotiations with bankers of the Group**

Since December 2008, the Group has voluntarily negotiated with its bankers regarding repayment arrangements in view of its latest difficult financial position and sought for forbearance from them. As the Group has taken a co-operative, expeditious and transparent approach, the bankers are supportive to the Group up to the present moment. The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited were then designated as the lead coordinating banks. With the forbearance from the bankers, the Group has sufficient liquidity to continue its business on a much smaller operation scale. The bank borrowings of the Group are mainly divided into two parts: the bankers in Hong Kong, amounted to HK$320 million and the bankers in China, mainly Agricultural Bank of China, both Dongguan Branch and Qingyuan Branch, amounted to RMB224 million.

3. **Subscription Agreement**

A subscription agreement with an investor was entered into in February 2009. The investor, Success Pioneer Limited, has conditionally agreed to inject capital to the Company in the form of subscription for new shares as part of the restructuring exercise with the bankers of the Group.

4. **Group Re-organisation**

Full details of the Group-reorganisation have been disclosed in the announcements dated 24 February 2009, 23 March 2009 and 28 April 2009 (the "Announcements"). Terms used herein shall have the same meanings in the Announcements, unless otherwise defined.

The current proposed restructuring scheme, if successfully implemented, consists of, amongst other things, the following major procedures:

(i) a capital reduction through the cancellation of HK$0.09 out of HK$0.10 of the paid-up capital on each existing share of the Company;

(iii) subscription of 7,137,150,000 new shares of par value of HK$0.01 each at a subscription price of approximately HK$0.012 per share by Success Pioneer Limited, resulting into an aggregate cash consideration of HK$83.5 million; and

(iii) a group reorganisation and creditor scheme ("Creditor Scheme"), which will split the Group into a group including comprising the Company and certain subsidiaries retained under the control of the Company ("Retained Group") and a group comprising containing the remaining subsidiaries to be held outside the Retained Group ("Scheme Subsidiaries") by the independent administrators of the Creditor Scheme; and

(iv) pursuant to the proposed Creditor Scheme, a scheme of arrangement is implemented, all Scheme Indebtedness (as defined in the Company's announcement dated 24 February 2009) of the Company will be released, and proceeds from future disposal of assets or business of the Scheme Subsidiaries, together with a sum of HK$73.5 million, being part of the new share subscription consideration, will be made available to the independent administrators of the Creditor Scheme to settle and discharge the Scheme Indebtedness, indebtedness and liabilities (actual or contingent) of the Retained Subsidiaries and the Scheme Subsidiaries.

Please refer to the Announcements for further details of the Group Reorganisation.

5. Standstill

For bank creditors in Hong Kong, the Group has obtained informal standstill since December 2008. A formal standstill was obtained on 13 July 2009. For details of related execution of debentures and deed of undertaking, please refer to the separate announcement made on the same day.

For Agricultural Bank of China, Dongguan Branch, the Group has entered into a loan extension agreement for the loan of RMB40 million which will be due in early September 2009.

For Agricultural Bank of China, Qingyuan Branch, the Group has received a conditional extension letter which required further pledge of certain properties in Qingyuan Industrial Estate.

EMS Division

Continuing Business

Turnover of the EMS division for the year amounted to approximately HK$1,525 million (2008: HK$2,494 million). The significant drop was mainly due to the decrease in sales revenue of second half of the financial year, which only registered a turnover of about HK$430 million.

During the year, the United States remained the EMS division's largest market for the EMS division. The gross loss was about HK$136 million for the year ended 31 March 2009. It was mainly because the operations could not be operated at a satisfactory production level as a result of the financial problem of the Group and a majority of the manufacturing facilities were kept idle at the material times. Moreover, the other attributable factors include: the relatively high overhead costs in Dongguan, increase in royalties, impairment loss on inventories, increase in labour cost and oil price during the year under review.

Discontinued Business

The mobile division ceased operations in the last quarter of the financial year because of the repaid and continuing deterioration of its business. Moreover, the division had immense difficulty in resolving its substantial cash flow problems and had sought debt reduction on liabilities due to its trade suppliers to alleviate the financial situation of the Group. The loss was about HK$85 million mainly attributable to impairment loss on intangible assets of HK$16 million, impairment loss on fixed assets and inventories of about HK$53 million, which was partly offset by an income of HK$28 million resulting from the waiver of trade debts.

Properties Division

The Group's Properties Division comprises investment properties in land use rights and factory buildings in Fenggang, Dongguan and Qingyuan, which help to earn recurring income and/or realise potential capital appreciation.

As disclosed in the Circular dated 13 August 2008, the Group has entered into a sale and purchase agreement for the Disposal. The Disposal was approved by shareholders at the Special General Meeting on 8 September 2008. As at 31 March 2009, the outstanding receivable under the above sale and purchase agreement amounted to about HK$167 million. The purchaser was unable to make the balance payment and formal demand has been made. Up to present moment, negotiations are still under way and different mode of payment terms and various means of settlement have been discussed but no conclusion has been made. Announcement will be made as appropriate.

Decrease in the investment properties for the year was mainly due to the above Disposal, resulting in transfer to assets classified as held for sale of about HK$173 million.

PROSPECTS

The international financial crisis tightens money supply, resulting in credit crunch. The negative impact of the financial turmoil is unprecedented in magnitude and speed and affects all business entities. This is a challenging time, if not critical. Influenced by the financial turmoil, the continuing appreciation of the RMB as well as the rising costs of raw materials and labour, China has witnessed a decline in its export market as compared with last year. The winds of change that have been felt for years are now causing impacts upon the Hong Kong manufacturers like a typhoon. The PRC Government has implemented certain relief policies, including higher export VAT refund rates, loosening credits from PRC banks and postponing the adjustment of minimum wages standard. The stability of RMB is expected to alleviate the difficulties faced by manufacturers.

The Group has a very solid foundation in the electronics industry with establishment for more than three decades.

The Group has spent the past several months working closely at our restructuring exercise. The Group has found all of our stakeholders, including customers, suppliers, bankers and employees being supportive to us. Our management has worked diligently and effectively within our businesses. Our key message is clear: we strive to move beyond the issues in recent months and restore Ngai Lik to a healthy position. The disappointment and distractions of our mobile division do not change what Ngai Lik has achieved in the past.

The Group has achieved a sales revenue of about HK$216 million for the period from April to June 2009 which is about 60% below than that of the corresponding period of last year. Currently, the Group only has 15 production lines in operation. Although the Group is still operating under a difficult environment, the management of the Group is committed to maintaining the business and operations with the continuing support of various stakeholders. Focus of the group is placed on managing cash flow and working capital and implementing short-term operations improvements, including identifying cheaper sourcing, reducing property costs and overheads reduction.

Last December was unforgettable for Ngai Lik. The success of the Group's corporate rescue is dependent on the continuing support of the Group's various stakeholders, including shareholders, bankers, customers, suppliers and employees. Mutual understanding and trust amongst those stakeholders and the Group are of utmost importance. Under the joint guideline on Hong Kong Approach to Corporate Difficulties issued by HKAB and HKMA, it is in all their interests that the business should survive if there is a reasonable possibility that it may be viable. Only where there is no reasonable possibility or where it proves difficult to form a view should the company be liquidated.

The Group will use its best endeavours to maintain its presence and avoid the risk of winding up or corporate collapse. The road of corporate rescue is beset with thorns and brambles. Undaunted by setbacks, the Group will persist in moving ahead and hope to achieve success of the restructuring.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

FINANCIAL REVIEW

Turnover

The Group's turnover of continuing operations decreased to approximately HK$1,538 million for the year ended 31 March 2009, representing a reduction of approximately 39% as compared to the preceding financial period. The decline was mainly attributable to the financial difficulties of the Group and weak demand of the consumer electronic products as a direct result of the financial tsunami.

Gross Loss

The gross loss was about HK$136 million for the year ended 31 March 2009 whereas the gross profit margin was about HK$133 million in previous year. It was mainly attributable to high level of overheads resulting from smaller production scale which was under sub-optimal levels, in particular for Dongguan Industrial City, increase in royalties, impairment loss on inventories mainly resulting from cessation of unprofitable product lines, severance payment for headcounts reduction and provision for PRC employees' termination benefit.

Impairment Loss of Property, Plant and Equipment and Intangible Assets

Impairment loss of property, plant and equipment and intangible assets, mainly resulting in the amount of about HK$422 million from the drastic decrease in production scale of the Group and substantial decline in recoverable amount of the value of fixed assets and intangible assets which mainly represented the deferred development expenditure. Below are the major reasons thereof:–

a. During the year, the Group has experienced a rapid and continuing deterioration in its business due to the drastically decline in turnover, customers' purchase orders, production scale and customer confidence as a consequence to the financial turmoil. The drastic decline in production scale significantly reduced the recoverable amounts of the fixed assets which is much less than their carrying value.

b. Certain of the existing facilities and manufacturing infrastructure, including the five sets of electric generators were relatively aged or outmoded, in particular for those assets in Dongguan.

c. In the process of restructuring, certain unprofitable product and business lines were identified and their operations were ceased to ensure the remaining business can provide a better contribution to the cash flow of the Group. Consequently, a lot of surplus assets including moulds are kept idle and are not in use and, significant impairment loss or write-down thereon was made.

d. During the year, in line with the strategy of consolidating and downsizing the operations of the Group, certain parcels of bare land, factory and office buildings located in the Qingyuan Industrial Estate have been or will be left vacant. Impairment loss on the properties was about HK$44 million.

e. There was a fire accident (the "Accident") in its Printed Circuit Board ("PCB") factory in Qingyuan, the PRC in March 2009. As a result of the Accident, certain of the machineries, equipment, inventories and factory building of the Group in respect of its PCB manufacturing operations were damaged. Details of the Accident were disclosed in the announcement dated 19 March 2009.

Expenses

The Group's administrative expenses for the year ended 31 March 2009 was approximately HK$165 million, representing an increase of approximately 70% as compared to the preceding financial year. It was mainly attributable to the impairment on trade receivables of about HK$28 million and was mainly related to a quality dispute with a customer in UK for the sales of notebooks Moreover, the legal and professional fees increased significantly mainly because of the restructuring exercise The Group's selling and distribution expenses increased to approximately HK$33 million because of the provision made for product warranties. The Group's finance costs amounted to approximately HK$36 million which were comparable to the corresponding figures last period. The other operating expenses of HK$36 million were mainly attributable to exchange loss in translation of loans in RMB and loss on disposal of property, plant and equipment.

Working Capital Management

As at 31 March 2009, the Group maintained bank balances and cash of approximately HK$33 million (2008: approximately HK$159 million). The Group's average inventory turnover days was approximately 58 days (2008: approximately 53 days).

Financing and Capital Structure

For the year ended 31 March 2009, the Group's total debts stood at approximately HK$578 million (2008: approximately HK$847 million), all of which were repayable within one year. The Group's borrowings are primarily denominated in Hong Kong Dollars, US Dollars and RMB. The debt to equity ratio increased to 33 times. The over gearing situation was one of the major causes of the corporate difficulties of the Group.

Capital Expenditure on Property, Plant and Equipment

Total capital expenditure for the year was approximately HK$26 million (2008: HK$52 million), out of which approximately HK$10 million was spent on the acquisition of plant and machinery and expenditure on leasehold improvement and equipment, and approximately HK$9 million for moulds investment.

Liquidity and Financial Resources

The net current liabilities of the Group as at 31 March 2009 was approximately HK$512 million (31 March 2008: net current liabilities at HK$64 million). As most of the Bank borrowings could not be repaid when fell due and under the terms of relevant bank facilities, the remaining portions of outstanding borrowings became due immediately. The Group faced serious financial problems, mainly arising from the liquidity issue. The current ratio was approximately 0.5 (31 March 2008: approximately 0.93). Shareholders' funds were decreased to approximately HK$18 million (31 March 2008: approximately HK$934 million) because of the significant loss of HK$916 million for the year.

Pledge of Assets

As at 31 March 2009, certain of the Group's assets (including investment properties, property, plant and equipment, assets held for sale and land use rights) with the carrying value of totalling approximately HK$437 million were pledged to secure certain banking facilities granted to the Group.

Capital Commitments

As at 31 March 2009, the Group had capital commitments contracted but not provided for of approximately HK$1 million.

Treasury Policy

The majority of the Group's sales and purchases are denominated in Hong Kong Dollars or US Dollars. As Hong Kong Dollars and US Dollars are pegged, the Group had minimum exposure to foreign exchange fluctuation in this respect. The labour costs and other overheads incurred in the PRC were denominated in RMB. The Group still monitor the overall currency and interest rate exposures particularly for the bank borrowings in RMB which was approximately HK$255 million as at 31 March 2009. However, since the occurrence of Group's financial problems since December 2008, the group has no effective facilities in entering into hedging contracts for currency as well as interest rate exposure.

Employee Information

As at 31 March 2009, the Group had approximately 6,000 employees (31 March 2008: 12,200). The remuneration packages are generally structured with reference to market conditions and the individual qualifications. Salaries and wages of the Group's employees are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Bonuses are normally paid to the management, based on individual merits as well as the results from the respective companies for which the staff works. Benefit plans for its Hong Kong staff include a provident fund scheme and medical and life insurance. The Group also maintains a Share Option Scheme, under which options may be granted to employees to subscribe for shares in the Company. This Share Option Scheme is designed to give employees an incentive to perform.

CORPORATE GOVERNANCE

The Company has complied with the all the applicable code provisions set out in the Code on Corporate Governance Practices ("the CG Code") in Appendix 14 of the Listing Rules throughout the year ended 31 March 2009, together with the deviations from CG Code provision A2.1 in respect of the separate of roles of the Chairman and the chief executive officer and A4.2 in respect of the re-election of directors who are appointed to fill causal vacancy. The Group's compliance with the provision of the Code together with reasons for the deviations will be set in the corporate governance report contained in the Company's 2009 Annual Report to be issued in late July 2009.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed with internal control and financial reporting matters including the review of the consolidated financial statements of the Group for the year ended 31 March 2009. The Audit Committee comprises three independent non-executive directors, namely Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company, comprising of three independent non-executive directors and one executive director, was established with the terms of reference in compliance with the CG Code. The Remuneration Committee is responsible for formulation and review of the remuneration policy of the Company and performance of the executive directors, recommendation as to the remuneration of the executive directors and dealing with matters of appointment, retirement and re-election of the directors.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard set out in the Model Code throughout the year ended 31 March 2009.

DEALING IN COMPANY'S LISTED SECURITIES

During the year, there were no purchases, sale or redemption by the Company or any of its subsidiaries, of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This announcement of results is available for viewing on the website of Hong Kong Exchange and Clearings Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of IR Asia Limited at www.irasia.com/listco/hk/ngailik/. The annual report of the Company contained all the information required by the Listing Rules will be published on the above websites in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank each and every of the management, staffs and employees for their dedication, loyalty and, which emphasis, commitment during the year.

By order of the Board
Lam Man Chan
Chairman

Hong Kong, 13 July 2009

As at the date of this announcement, the executive directors of the Company are Dr. Lam Man Chan, Ms. Ting Lai Ling, Ms. Ting Lai Wah, Mr. Yeung Cheuk Kwong and Mr. Lam Shing Ngai, and the independent non-executive directors of the Company are Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.

* *For identification purpose only*