
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your Shares, you should at once hand this Document and the accompanying Form of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained therein.

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Success Pioneer Limited

(Incorporated in the British Virgin Islands with limited liability)

**MANDATORY UNCONDITIONAL CASH OFFER
BY SOMERLEY LIMITED ON BEHALF OF SUCCESS PIONEER LIMITED
FOR ALL THE ISSUED SHARES OF HK\$0.01 EACH IN
NGAI LIK INDUSTRIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY SUCCESS PIONEER LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to Success Pioneer Limited



The procedures for acceptance of the Offer and other related information are set out on pages 19 to 24 in Appendix I to this Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Registrar by no later than 4:00 p.m. on Wednesday, 17 February 2010 or such later time and/or date as the Offeror may decide and announce in accordance with the Takeovers Code.

18 January 2010

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	1
DEFINITIONS	2
LETTER FROM SOMERLEY	8
APPENDIX I – FURTHER TERMS OF THE OFFER	19
APPENDIX II – GENERAL INFORMATION	25
ACCOMPANYING DOCUMENT – FORM OF ACCEPTANCE	

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

2010

Offer opens for acceptance. Monday, 18 January

Latest time and date for acceptance of the Offer. 4:00 p.m. on Wednesday, 17 February
(Notes 1 and 3)

Closing Date (Note 1) Wednesday, 17 February

Announcement of the results of the Offer posting
on the Stock Exchange website (Note 1) by 7:00 p.m. on Wednesday, 17 February

Latest date of posting of remittance in respect of valid
acceptances received on or before the latest time
for acceptance of the Offer (Note 2) Saturday, 27 February

Notes:

1. The latest time for acceptance of the Offer is 4:00 p.m. on Wednesday, 17 February 2010. The Offer, which is unconditional, will be closed on Wednesday, 17 February 2010 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror will issue an announcement by 7:00 p.m. on Wednesday, 17 February 2010 as to whether the Offer has been revised, extended or expired and, in relation to any extension of the Offer, to state either the next closing date or that the Offer will remain open until further notice.
2. Payment will be made as soon as possible, but in any event within 10 days of the date of receipt by the Registrar, from the Shareholders accepting the Offer, of the valid requisite documents. Please refer to the paragraph headed "Settlement" in Appendix I to this Document.
3. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in paragraph headed "Right of withdrawal" in Appendix I to this Document.

All time and date references contained in this Document refer to Hong Kong time and dates.

DEFINITIONS

In this Document, unless the context otherwise requires, the following expressions have the following meanings:

“acting in concert”	the same meaning ascribed to it under the Takeovers Code
“Administrators”	the administrators sanctioned by the Supreme Court of Bermuda and the Court of First Instance of the High Court of Hong Kong in respect of the Scheme
“associate(s)”	the same meaning ascribed to it under the Listing Rules
“Best Kingdom”	Best Kingdom Limited, a company incorporated in the British Virgin Islands with limited liability and 100% beneficially owned by Mr. Kuok
“Big Trophy”	Big Trophy Limited, a company incorporated in the British Virgin Islands with limited liability and 100% beneficially owned by Mr. Lau
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and a Sunday and a day on which a tropical cyclone warning number 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are open for general banking business in Hong Kong throughout their normal business hours
“Capital Reorganisation”	the restructuring of the share capital of the Company which became effective on 11 January 2010 and comprised the reduction of the par value of each then issued Share from HK\$0.10 to HK\$0.01 by the cancellation of HK\$0.09 of the paid-up capital on each then issued Share and the sub-division of the authorised but then unissued Share of par value HK\$0.10 into 10 Shares of par value HK\$0.01 each
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Circular”	the circular dated 30 September 2009 issued by the Company in relation to, among other things, the Capital Reorganisation, the Group Reorganisation, the Scheme and the Subscription

DEFINITIONS

“Closing Date”	Wednesday, 17 February 2010, the closing date of the Offer, which is not less than 28 days after the date on which this Document is posted, or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code
“Company” or “Issuer”	Ngai Lik Industrial Holdings Limited (Stock Code: 332), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board
“Companies Act”	Companies Act 1981 of Bermuda
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Completion”	completion of the Subscription Agreement which took place on 11 January 2010
“Concert Group”	the Offeror and parties acting in concert with it, including but not limited to, Mr. Lau, Mr. Kuok, Mr. Tam and Mr. Yeung
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Corporate Smart”	Corporate Smart Limited, a company incorporated in the British Virgin Islands with limited liability and 100% beneficially owned by Mr. Yeung
“Director(s)”	the director(s) of the Company
“Document”	this offer document issued by the Offeror to the Shareholders, which sets out, among other things, details of the Offer
“Dr. Leung”	Dr. Leung Hoi Ming
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time or any of its delegate
“Form of Acceptance”	the form of acceptance and transfer of the Shares in respect of the Offer accompanying this Document
“Former Group”	the Company and its subsidiaries prior to completion of the Group Reorganisation
“Group” or “Retained Group”	the Company and its subsidiaries after completion of the Group Reorganisation

DEFINITIONS

“Group Reorganisation”	the group reorganisation of the Company which became effective on 11 January 2010, resulting in the existing Group comprising the Company and the Retained Subsidiaries (together with all intermediary holding companies)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholder(s), other than the Concert Group
“Joint Announcement”	the announcement jointly issued by the Company and the Offeror dated 24 February 2009 regarding, among other things, the Subscription
“Last Trading Day”	6 February 2009, being the last trading date of Shares immediately prior to the signing of the Subscription Agreement
“Latest Practicable Date”	15 January 2010, being the latest practicable date prior to the printing of this Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of growth enterprise market (“GEM”) (excluding the options market) which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“McCallum VC”	McCallum Venture Capital Limited, a company incorporated in the British Virgin Islands with limited liability and 100% beneficially owned by Mr. Tam
“Mr. Chan”	Mr. Chan Sek Kwan Rays
“Mr. Kuok”	Mr. Kuok Hoi Sang
“Mr. Lau”	Mr. Lau Ching Kei
“Mr. Tam”	Mr. Tam Norman Hok Cheong
“Mr. Wong”	Mr. Wong Chi Keung
“Mr. Xie”	Mr. Tom Xie

DEFINITIONS

“Mr. Yeung”	Mr. Yeung Kwai Tong
“Offer”	the unconditional mandatory cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) made or to be made by Somerley on behalf of the Offeror
“Offer Price”	HK\$0.012 per Share payable in cash by the Offeror under the Offer
“Offer Shares”	all the issued Share(s) other than those already owned or agreed to be acquired by the Concert Group
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es) as shown on the register of members of the Company is (are) outside Hong Kong
“Rainbow Step”	Rainbow Step Limited, a company incorporated in the British Virgin Islands with limited liability directly holding 100% interest in the Offeror
“Registrar”	Tricor Tengis Limited, Hong Kong branch share registrar and transfer office of the Company located at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Relevant Period”	the period beginning six months prior to 6 January 2009 (being the date of the announcement of the Company pursuant to Rule 3.7 of the Takeovers Code) and ended on the Latest Practicable Date
“Response Document”	the offeree board circular in response to this Document in respect of the Offer to be issued by the Company to the Shareholders in accordance with the Takeovers Code
“Retained Subsidiaries”	the subsidiaries of the Company immediately following the Group Reorganisation, namely, Din Wai Services (Macao Commercial Offshore) Limited, Din Wai Digital Limited, Grand More Enterprises Limited, Ngai Lik Enterprises Limited and Ngai Lik Industrial Limited
“Scheme”	the scheme of arrangement for the Company pursuant to Section 166 of the Companies Ordinance, and pursuant to Section 99 of the Companies Act 1981 of Bermuda, which became effective on 11 January 2010
“SFC”	the Securities and Futures Commission

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of a par value of HK\$0.01 as at the date of this Document or of HK\$0.10 in respect of the period before the Capital Reorganisation came into effect (as the case may be) in the issued share capital of the Company
“Share Consideration”	the sum of HK\$83,500,000 for the subscription of the Subscription Shares
“Shareholder(s)”	holder(s) of the Shares
“Somerville”	Somerville Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the financial adviser to the Offeror in respect of the Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Offeror pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 9 February 2009 entered into between the Company (as issuer) and the Offeror (as subscriber) in relation to the Subscription as amended, varied, supplemented from time to time
“Subscription Price”	the price of approximately HK\$0.012 per Subscription Share payable by the Offeror pursuant to the Subscription Agreement
“Subscription Shares”	the 7,137,150,000 Shares of par value of HK\$0.01 each subscribed for by the Offeror, representing approximately 90% of the enlarged issued share capital of the Company immediately upon Completion
“substantial shareholder(s)”	the same meaning ascribed to it under the Listing Rules
“Success Pioneer” or “Offeror”	Success Pioneer Limited, a company incorporated in the British Virgin Islands with limited liability

DEFINITIONS

“Takeovers Code” the Hong Kong Code on Takeovers and Mergers

“%” per cent.

LETTER FROM SOMERLEY



SOMERLEY LIMITED
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

18 January 2010

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY SOMERLEY LIMITED ON BEHALF OF SUCCESS PIONEER LIMITED
FOR ALL THE ISSUED SHARES OF HK\$0.01 EACH IN
NGAI LIK INDUSTRIAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY SUCCESS PIONEER LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Circular, the subsequent announcements dated 27 October 2009 and 4 November 2009 jointly issued by the offeror and the Company, and the announcements dated 3 December 2009 and 11 January 2010 issued by the Company, with regard to, among other things, the Capital Reorganisation, the Group Reorganisation, the Scheme and the Subscription.

The Completion took place on 11 January 2010. Immediately after Completion and as at the Latest Practicable Date, the Concert Group was interested in 7,137,150,000 Shares, representing approximately 90.0% of the enlarged issued share capital of the Company. Accordingly, the Offeror is required to make a mandatory unconditional cash offer to acquire all the issued Shares other than those Shares already owned by the Concert Group pursuant to Rule 26.1 of the Takeovers Code.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. Further details of the terms of the Offer are set out in Appendix I to this Document of which this letter forms part, and in the accompanying Form of Acceptance.

Veda Capital Limited has been appointed as the independent financial adviser to advise the independent board committee of the Company. The Company is required to despatch the Response Document to the Shareholders, containing, among other things, the respective advice of the independent board committee of the Company and the independent financial adviser in respect of the Offer within 14 days after the posting of this Document.

LETTER FROM SOMERLEY

THE OFFER

Principal terms of the Offer

Somerley is making, on behalf of the Offeror, the Offer to acquire all the issued Shares other than those already owned by the Concert Group on the following basis:

The Offer

For each Offer Share HK\$0.012 in cash

The Offer is unconditional in all respects.

As at the Latest Practicable Date, the Company had 7,930,166,684 Shares in issue. Save for the aforesaid Shares in issue, the Company did not have any outstanding securities, options, derivatives or warrants which are convertible or exchangeable into Shares.

As at the Latest Practicable Date, the Concert Group was together beneficially interested in 7,137,150,000 Shares (representing approximately 90.0% of the entire issued share capital of the Company as at the Latest Practicable Date).

Comparisons of value

The Offer Price of HK\$0.012 per Offer Share is not less than the equivalent price per Subscription Share under the Subscription Agreement and represents:

- (i) a discount of approximately 90.6% to the closing price of HK\$0.127 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 87.0% to the average closing price of approximately HK\$0.092 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 86.0% to the average closing price of approximately HK\$0.086 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 82.6% to the closing price of approximately HK\$0.069 per Share as quoted on the Stock Exchange on 19 December 2008, being the last trading day immediately preceding 6 January 2009 (being the date of the initial announcement of the Company in relation to the Subscription pursuant to Rule 3.7 of the Takeovers Code); and
- (v) a discount of approximately 95.4% to the closing price of HK\$0.260 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM SOMERLEY

Highest and lowest prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.34 per Share on 11 July 2008 and HK\$0.053 per Share on 9 December 2008.

Total consideration and financial resources

As at the Latest Practicable Date, the Company had a total of 7,930,166,684 Shares in issue. Assuming that there is no change in the issued share capital of the Company prior to the Closing Date, and based on the Offer Price of HK\$0.012 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$95,162,000, and all of the 793,016,684 Offer Shares are valued at approximately HK\$9,516,200.

The Offeror will finance the Offer by its internal resources. Somerley is satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror or its nominee free from all liens, claims and encumbrances and with all rights attached to them, including the rights to receive all dividends and other distributions declared, made or paid on or after the Completion.

The procedures for acceptance and further terms of the Offer are set out in Appendix I to this Document.

Overseas Shareholders

The attention of the Overseas Shareholders is drawn to paragraph 6 in Appendix I to this Document.

Stamp duty

Seller's ad valorem stamp duty arising in connection with acceptances of the Offer, amounting to HK\$1.00 for every HK\$1,000 or part thereof of the greater of (i) the consideration payable by the Offeror in respect of the relevant acceptance; and (ii) the market value of the Shares, will be payable by the Independent Shareholders who accept the Offer and will be deducted from the consideration payable to such Independent Shareholders. The Offeror will pay the buyer's ad valorem stamp duty on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting Independent Shareholders in respect of the Offer Shares accepted under the Offer.

LETTER FROM SOMERLEY

Settlement of the consideration

The amounts due to the Independent Shareholders who accept the Offer should be paid by the Offeror to the Independent Shareholders as soon as possible but in any event within 10 days of the date of receipt of a duly completed acceptance in accordance with the Takeovers Code. Settlement of the amounts due to the Independent Shareholders who accept the Offer will be implemented in full without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholders.

DEALINGS IN SECURITIES OF THE COMPANY

Details of the dealings in securities of the Company by the Concert Group are set out in the section headed “Additional disclosure of interests” in Appendix II to this Document.

Compulsory acquisition

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

INFORMATION ON THE GROUP

The Company is a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board. The principal businesses of the Group involve the design and sale of electronic products.

INFORMATION ON THE OFFEROR

Success Pioneer is a company incorporated in the British Virgin Islands on 2 January 2009 with limited liability whose principal business is investment holding. The Offeror is wholly-owned by Rainbow Step. The board of directors of each of the Offeror and Rainbow Step comprises Mr. Yeung, Mr. Lau and Mr. Tam. Save for the entering into of the Subscription Agreement, the Offeror has not conducted any business activities and has no other assets since its incorporation.

As disclosed in the Circular, the shareholding structure of Rainbow Step has been changed subsequent to the date of the Joint Announcement, details of which are set out below:

- (1) 10% interest in Rainbow Step held by Allskill Limited as at the date of the Joint Announcement was transferred to Best Kingdom on 25 September 2009; and
- (2) 5% out of the 20% interest in Rainbow Step held by McCallum VC as at the date of the Joint Announcement was transferred to Corporate Smart on 25 September 2009.

Accordingly and as at the Latest Practicable Date, Rainbow Step is owned as to 45% by Corporate Smart, as to 30% by Big Trophy, as to 15% by McCallum VC and as to 10% by Best Kingdom.

LETTER FROM SOMERLEY

Corporate Smart is a company incorporated in the British Virgin Islands on 2 January 2009 with limited liability whose principal business is investment holding. Mr. Yeung is the sole director of and sole beneficial owner holding 100% interest in Corporate Smart. Corporate Smart has not conducted any business activities and has no other assets since its incorporation apart from its interest in the Offeror through Rainbow Step.

Mr. Yeung, aged 47, has over 20 years experience in trading business of garment accessories related products. Mr. Yeung is currently the head of sales department of one of the well-established and leading garment accessories related products manufacturing companies in the PRC.

Big Trophy is a company incorporated in the British Virgin Islands on 2 January 2009 with limited liability whose principal business is investment holding. Mr. Lau is the sole director of and sole beneficial owner holding 100% interest in Big Trophy. Big Trophy has not conducted any business activities and has no other assets since its incorporation apart from its interest in the Offeror through Rainbow Step.

Mr. Lau, aged 40, holds both a master degree and a bachelor degree in economics from the London School of Economics and Political Science. Mr. Lau has extensive experience in finance, investment and management. Mr. Lau had worked with several international financial institutions and had also worked as consultant or held in senior management positions for companies in various industries including pharmaceutical and retailing in the PRC and Hong Kong. Mr. Lau is also a Chartered Financial Analyst.

McCallum VC is a company incorporated in the British Virgin Islands on 15 January 2009 with limited liability whose principal business is investment holding. Mr. Tam is the sole director of and sole beneficial owner holding 100% interest in McCallum VC. McCallum VC has not conducted any business activities and has no other assets since its incorporation apart from its interest in the Offeror through Rainbow Step.

Mr. Tam, aged 55, has extensive experience in the business of manufacturing, retailing and trading of a wide range of consumer electronic products in Hong Kong and the PRC. Mr. Tam is one of the founders and currently the director of Citicall Limited which is principally engaged in the retail business of consumer electronic products in Hong Kong.

Best Kingdom is a company incorporated in the British Virgin Islands on 9 April 2009 with limited liability whose principal business is investment holding. Mr. Kuok is the sole director of and sole beneficial owner holding 100% interest in Best Kingdom. Best Kingdom has not conducted any business activities and has no other assets since its incorporation apart from its interest in the Offeror through Rainbow Step.

Mr. Kuok, aged 59, has over 30 years of extensive experience in business development. He is also executive director of Chevalier International Holdings Limited and Chevalier Pacific Holdings Limited, public companies listed on the Stock Exchange.

LETTER FROM SOMERLEY

INTENTION OF THE OFFEROR REGARDING THE GROUP

The Group is principally engaged in design and sale of electronic products. It is the intention of the Offeror that following Completion, the Group will continue with its existing principal activities except its manufacturing activities which will be carried out under manufacturing contract processing arrangements. The Offeror will conduct a detailed review of the business and operations of the Group in order to formulate long term strategy for the Group and explore other business or investment opportunities in enhancing its future business development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror does not have any concrete plan to inject any assets or businesses into the Group or to procure the Company to acquire or dispose of any assets or to redeploy the fixed assets of the Group other than in the ordinary course of business. Any acquisition or disposal of assets or business of the Group in the future, if any, will be in compliance with the Listing Rules and the Takeovers Code (if applicable). The Group will continue to seek new business opportunities to improve its profitability and prospects, and may diversify into other business should suitable opportunities arise.

PROPOSED CHANGES TO BOARD COMPOSITION AND KEY MANAGEMENT POSITIONS OF THE COMPANY

The Offeror has no intention to make major changes to the employees of the Group save for changes in the composition of the Board and key management positions of the Company as detailed below.

Changes in board composition of the Company

As at the Latest Practicable Date, the Board was currently made up of eight Directors, comprising five executive Directors being Dr. Lam Man Chan, Ms. Ting Lai Ling, Ms. Ting Lai Wah, Mr. Yeung Cheuk Kwong and Mr. Lam Shing Ngai; and three independent non-executive Directors being Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong. On the date of Completion, all the eight existing Directors have tendered their resignation as Director, with effect from the earliest date permitted under the Takeovers Code.

On the date of Completion, the Board has approved the appointments of Mr. Yeung and Mr. Lau as executive Directors, Mr. Tam as non-executive Directors, and Dr. Leung, Mr. Wong and Mr. Xie as independent non-executive Directors with effect from the day immediately after the posting of this Document.

Any further changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made pursuant to Rule 13.51(2) of the Listing Rules accordingly.

Changes in key management positions of the Company

With effect from the date of Completion:

- (i) Dr. Lam Man Chan has resigned as chairman, chief executive officer and authorized representative of the Company;

LETTER FROM SOMERLEY

- (ii) Ms. Ting Lai Ling has resigned as authorised representative of the Company; and
- (iii) Mr. Yeung Cheuk Kwong has resigned as chief financial officer, company secretary and qualified accountant of the Company.

Mr. Yeung Cheuk Kwong has also resigned as authorised representative of the Company with effective from the day immediately following the posting of this Document.

In light of the aforesaid resignations:

- (i) Mr. Lau has been appointed as the authorised representative of the Company with effect from the day immediately following the posting of this Document; and
- (ii) Mr. Chan has been appointed as company secretary and authorised representative of the Company with effect from date of Completion.

Changes in composition of audit committee and remuneration committee of the Company

On date of Completion, the Board approved the following changes in the composition of the audit committee and remuneration committee of the Company, all with effect from the day immediately following the posting of this Document:

- (i) Mr. Tam Yuk Sang, Sammy has resigned as chairman and member of the audit committee and Mr. Ho Lok Cheong and Mr. Ng Chi Yeung, Simon have resigned as members of the audit committee. Mr. Wong has been appointed as chairman and member of the audit committee and Dr. Leung and Mr. Xie have been appointed as members of the audit committee; and
- (ii) Mr. Ng Chi Yeung, Simon has resigned as chairman and member of the remuneration committee and Mr. Tam Yuk Sang, Sammy, Mr. Ho Lok Cheong and Mr. Yeung Cheuk Kwong have resigned as members of the remuneration committee. Mr. Wong has been appointed as chairman and member of the remuneration committee and Dr. Leung and Mr. Xie have been appointed as members of the remuneration committee.

The brief biographies of Mr. Yeung, Mr. Lau and Mr. Tam are set out in the section headed "Information on the Offeror" of this letter. The brief biographies of the new independent non-executive Directors and Mr. Chan are set out below:

Dr. Leung Hoi Hing

Dr. Leung, aged 41, is currently a director of Toi Shan Association of Hong Kong Limited. He has extensive knowledge and experience in risk management of financial instruments, treasury business and financial derivative products. He has served DBS Bank for eight years and was Senior Vice President in the Treasury and Markets Division upon his departure from the bank on May 22, 2009.

LETTER FROM SOMERLEY

Dr. Leung started his career in the finance industry in 1996 with Citibank as quantitative analyst in the Equity Derivatives Asia Department. He had served a few other financial institutes before joining DBS Bank Ltd. as a financial product specialist as well and had held various roles in business development, trading and risk management before joining DBS.

Dr. Leung, a native Hong Kong citizen with Chinese nationality, holds a Bachelor (First Class Honours) degree of Science (1990) from the Chinese University of Hong Kong, a Master degree of Science in Mathematics (1993) and a Doctor degree of Philosophy (1996) from the California Institute of Technology, and a Master degree of Science in Investment Management (1999) from the Hong Kong University of Science and Technology.

Mr. Wong Chi Keung

Mr. Wong, aged 54, holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of Hong Kong Institute of Certified Public Accountants, The Association of Chartered Certified Accountants and CPA Australia; an associate member of The Institute of Chartered Secretaries and Administrators and The Chartered Institute of Management Accountants. Mr. Wong is also a Responsible Officer for carrying out Type 9 (asset management), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities for Legend Capital Partners, Inc. under the SFO.

Mr. Wong was as an executive director, the deputy general manager, group financial controller and company secretary of Guangzhou Investment Company Limited, a company listed on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of the audit committee of each of Asia Orient Holdings Limited, Asia Standard International Group Limited, Century City International Holdings Limited, China Nickel Resources Holdings Company Limited, China Ting Group Holdings Limited, First Natural Foods Holdings Limited (provisional liquidators appointed), FU JI Food and Catering Services Holdings Limited (provisional liquidators appointed), Golden Eagle Retail Group Limited, PacMOS Technologies Holdings Limited, Paliburg Holdings Limited, Regal Hotels International Holdings Limited and TPV Technology Limited, all of these companies are listed on the Stock Exchange. Mr. Wong was also an independent non-executive director of Great Wall Motor Company Limited from 20 August 2003 to 5 June 2009 and International Entertainment Corporation from 24 September 2004 to 23 September 2008. Mr. Wong has over 32 years of experience in finance, accounting and management.

Mr. Tom Xie

Mr. Xie, aged 60, has extensive work experience in economics field. He has had years of experience in high level organisational management including a senior management post with a Hong Kong listed company. He has extensive business and political connections and is familiar with PRC's political, economic and business environment and retail market.

Mr. Xie holds a Diploma in Trade and Economics of Jinan University in China and is currently a candidate of a Master's degree in Gemology with China University of Geosciences (Beijing).

LETTER FROM SOMERLEY

Mr. Xie is currently a Director and President of Shenzhen Yihua Jewellery Co., Ltd. He now serves on the following public bodies: Vice-chairman, China General Chamber of Commerce Gems and Jewelry Committee and Committee Member, Guangzhou Tianhe District The Sixth People's Political Consultative Conference. He is also Permanent Honorary Chairman of the Confederacy of Hong Kong Shanwei Clansmen Limited.

Mr. Chan Sek Kwan Rays

Mr. Chan has over 20 years of audit and corporate advisory service experience in Hong Kong and the PRC and was involved in numerous financial reporting and investigations, and initial public offering engagements covering various industries such as, amongst others, property development and construction, garment and electronics manufacturing. Mr. Chan gained his bachelor degree of Business at University of Southern Queensland, Australia. He is also a Certified Public Accountant (Practising) in Hong Kong, a Fellow member of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant ("CPA") of CPA Australia.

As at the Latest Practicable Date, Mr. Yeung, Mr. Lau, Mr. Tam, Dr. Leung, Mr. Wong and Mr. Xie did not hold any positions in the Company or any members of the Group and save as disclosed in Appendix II to this Document, did not have any interest in the Shares.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Company and intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The new Directors to be appointed to the Board will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

In order to ensure that immediately upon the close of the Offer, the Shares held "in public hands" (as such term is understood in accordance with Rule 8.24 of the Listing Rules) will not be less than 25% of the Company's entire issued ordinary share capital, the Offeror will, subject to and as allowed under the Takeovers Code, arrange for placement of such amount of Shares to other investors who are independent and not connected with the directors, the chief executives and the substantial shareholders of the Offeror and the Company and their respective subsidiaries and associates (as defined in the Listing Rules), to be effective immediately upon the close of the Offer to ensure that the Offeror will be interested in 75% of the issued share capital of the Company immediately after the close of Offer while there will be sufficient public float in accordance with the Listing Rules.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient issued Shares in public hands to maintain an orderly market, the Company will be in breach of Rule 8.08 of the Listing Rules and the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until a sufficient level of public float is attained.

LETTER FROM SOMERLEY

The Stock Exchange has also stated that if the Company remains a listed company on the Stock Exchange, it will closely monitor all future acquisitions or disposals of assets by the Company. Any acquisitions or disposals of assets by the Company will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require the Company to issue an announcement and/or a circular to the Shareholders irrespective of the size of any proposed transaction, particularly when such proposed transaction represents a departure from the principal activities of the Company. The Stock Exchange also has the power pursuant to the Listing Rules to aggregate a series of acquisitions of assets by the Company and any such acquisitions may result in the Company being treated as if it were a new listing applicant and subject to the requirements of new listing applications as set out in the Listing Rules.

TAX IMPLICATIONS

None of the Offeror, Somerley or any of their respective directors or any other parties involved in the Offer is in a position to advise the Independent Shareholders on their individual tax implications. The Independent Shareholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offer. None of the Offeror, Somerley, or any of their respective directors or any other parties involved in the Offer accepts any responsibility for any tax effect on, or liabilities of, the Independent Shareholders.

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Document and the accompanying Form of Acceptance.

GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances sent to the Independent Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Independent Shareholders, to the Independent Shareholder whose name appears first in the register of members of the Company. None of the Offeror, Somerley, or any of their respective directors or professional advisers or any other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

LETTER FROM SOMERLEY

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Document.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
M. N. Sabine
Chairman

1. PROCEDURES FOR ACCEPTANCE

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for not less than the number of Shares in respect of which you intend to accept the Offer by post or by hand to the Registrar marked “**Ngai Lik Industrial Holdings Limited Offer**” on the envelope by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in compliance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:
 - (i) instruct the nominee company to accept the Offer on your behalf and request it to deliver the completed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and send the completed Form(s) of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on the Closing Date; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorize HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorize your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

- (c) If the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer, the Form(s) of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

- (d) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete the Form(s) of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to Somerley and/or the Offeror or their respective agent(s) to collect from the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Form(s) of Acceptance.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed Form of Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine in compliance with the requirements of the Takeovers Code and announce, and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or

 - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

 - (iii) certified by the Registrar or the Stock Exchange.

If the Form(s) of Acceptance is executed by a person other than the registered Independent Shareholders, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

- (f) No acknowledgement of receipt of any Form(s) of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (g) The address of the Registrar is at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

2. ACCEPTANCE PERIOD AND REVISIONS

Unless the Offer has previously been revised or extended with the consent of the Executive, all Forms of Acceptance must be received by the Registrar by 4:00 p.m. on the Closing Date in accordance with the instructions printed thereon.

If the Offer is extended or revised, the announcement of such extension or revision will state the next Closing Date and the Offer will remain open for acceptance for a period of not less than 14 days from the posting of the written notification and/or announcement of the extension or revision to the Independent Shareholders and, unless previously extended or revised, shall close on the subsequent Closing Date. If the Offeror revises the terms of the Offer, all Independent Shareholders whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.

If the Closing Date is extended, any reference in this Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer as so extended.

3. ANNOUNCEMENTS

- (a) By 6:00 p.m. (or such later time and/or date as the Executive agrees) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its intention in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating whether the Offer has been revised, extended or has expired.

The announcement must state the following:

- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
- (ii) the total number of Shares and rights over Shares held, controlled or directed by the Concert Group before the offer period (as defined under the Takeovers Code); and

- (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired during the offer period by the Concert Group.

The announcement must include details of any relevant securities in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also specify the percentages of the relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances, for announcement purposes, acceptances which are not in all respects in complete and good order or that are subject to verification may only be included where they could be counted towards fulfilling the acceptance conditions under paragraph 1(e) of this Appendix.
- (c) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments thereon, will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.ngailik.com).

4. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders or by their agent(s) on their behalves shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraph headed “Announcements” above, the Executive may require that the Independent Shareholders who have tendered acceptances of the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

5. SETTLEMENT

- (a) Provided that the Form(s) of Acceptance and/or the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are in complete and good order in all respects and have been received by the Registrar by no later than 4:00 p.m. on the Closing Date for the acceptance of the Offer, a cheque for the amount representing the cash consideration due to each accepting Independent Shareholder in respect of the Shares tendered by him/her or his/her agent(s) under the Offer, less seller’s ad valorem stamp duty payable by him/her in the case for tendered Shares, will be despatched to each accepting Independent Shareholder by ordinary post at his/her own risk as soon as possible but in any event within 10 days from the date of receipt of duly completed acceptances by the Registrar and in accordance with the Takeovers Code.

- (b) Settlement of the consideration to which any Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

If the Offer is withdrawn with the consent of the Executive in accordance with the Takeovers Code, the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form(s) of Acceptance to the relevant Independent Shareholders who have tendered acceptances to the Offer.

6. OVERSEAS SHAREHOLDERS

The Offer will be subject to the procedures and disclosure requirements under the relevant Hong Kong laws and regulations, which may be different from other jurisdictions. The making of the Offer or the acceptance thereof by persons not being a resident of Hong Kong or with a registered address in jurisdictions outside Hong Kong may be affected by the laws of the relevant jurisdictions. Independent Shareholders who are citizens or residents or nationals of jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

It is the responsibility of any such persons who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due in respect of such jurisdiction. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Offeror that the local laws and requirements have been fully complied with. Independent Shareholders should consult their professional adviser if in doubt.

7. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents through ordinary post at their own risk, and none of the Company, the Offeror, Somerley, Access Capital Limited, Quam Capital Limited, the Registrar nor any of their respective directors or agents or other parties involved in the Offer accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms of the Offer.

- (c) The accidental omission to despatch this Document and/or the Form(s) of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an authority to any director of the Offeror, Somerley or such person or persons as any of them may direct to complete and execute any document on behalf of the person accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror or such person or persons as it may direct the Shares, in respect of which such person has accepted the Offer.
- (f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares acquired under the Offer are sold by any such person or persons free from all liens, claims and encumbrances and together with all rights attaching thereto including the right to receive all future dividends or other distributions, if any, declared, paid or made on the Shares on or after the date of the Completion.
- (g) The Offeror does not intend to exercise any right which may be available to it to acquire compulsorily any Shares not acquired under the Offer after the close of the Offer.
- (h) References to the Offer in this Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.

1. RESPONSIBILITY STATEMENT

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Document have been arrived at after due and careful consideration and there are no other facts not contained in this Document, the omission of which would make any statement in this Document misleading. The information relating to the Group and the Retained Group contained in this Document has been taken from the announcements and reports issued by the Company as published on the website of the Stock Exchange. The only responsibility accepted by the directors of the Offeror in respect of information relating to the Group and the Retained Group is to ensure that it has been correctly and fairly reproduced or presented.

2. DISCLOSURE OF INTERESTS

In this section, references to any “interest” shall have the meanings ascribed thereto in Part XV of the SFO; and “shareholdings” means the Shares and any other securities of the Company which carry voting rights, and convertible securities, warrants, options and derivatives in respect of any of them.

As at the Latest Practicable Date, the interest of the Concert Group and the directors of the Offeror (being Mr. Yeung, Mr. Lau and Mr. Tam) in the Shares of the Company were as follows:

Name	Note	Capacity/ nature of interest	Number of Shares		Percentage of holding
			Long position	Short position	
Success Pioneer	<i>1</i>	Beneficial interest	7,137,150,000	–	90.00%
Mr. Yeung	<i>1</i>	Controlled corporation	7,137,150,000	–	90.00%

Notes:

- The Shares were acquired through the Subscription. Success Pioneer is wholly owned by Rainbow Step. Rainbow Step is held as to (i) 45% by Corporate Smart which is wholly owned by Mr. Yeung; (ii) 30% by Big Trophy which is wholly owned by Mr. Lau; (iii) 15% by McCallum VC which is wholly owned by Mr. Tam; and (iv) 10% by Best Kingdom which is wholly owned by Mr. Kuok. Therefore, Rainbow Step, Corporate Smart and Mr. Yeung are deemed to be interested in the same block of Shares held by Success Pioneer under the SFO.

As at the Latest Practicable Date, save as disclosed above, none of the Offerors, their director and their respective parties acting in concert, owned or controlled any Shares, Options, warrants or securities convertible into Shares.

3. ADDITIONAL DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, no benefit (other than statutory compensation) will be or have been given to any Director as compensation for loss of office in any members of the Group or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or any person acting in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the outcome of the Offer.
- (c) Save as disclosed in the section headed “Disclosure of Interests” in this appendix and the Subscription, none of the Offeror, any parties acting in concert with it and any of their respective directors owned or controlled any Shares, convertible securities, warrants, options or derivatives of the Company as at the Latest Practicable Date, and none of them had dealt for value in any such securities during the Relevant Period.
- (d) As at the Latest Practicable Date and during the Relevant Period, no Shares or any convertible securities, warrants, options or derivatives issued by the Company had been borrowed or lent by the Offeror or parties acting in concert with it.
- (e) As at the Latest Practicable Date, the Offeror or parties acting in concert with it or its associates had no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any person.
- (f) As at the Latest Practicable Date, no person has irrevocably committed themselves to accept or reject the Offer.
- (g) There is no arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Offeror or the Company which might be material to the Offer. There are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer.
- (h) As at the Latest Practicable Date, there was no agreement, arrangement or understanding or intention to transfer, charge or pledge the Shares acquired in pursuance with the Offer to any other persons.

4. MARKET PRICES

- (a) The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period was HK\$0.34 on 11 July 2008 and HK\$0.053 on 9 December 2008, respectively.
- (b) The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on the last business day of each of the calendar months during the Relevant Period on which trading of the Shares took place:

Date	Closing Price <i>HK\$</i>
31 July 2008	0.295
29 August 2008	0.241
30 September 2008	0.200
31 October 2008	0.075
28 November 2008	0.059
31 December 2008	0.069
30 January 2009	0.092
27 February 2009	0.106
31 March 2009	0.083
30 April 2009	0.094
29 May 2009	0.138
30 June 2009	0.149
31 July 2009	0.148
31 August 2009	0.120
30 September 2009	0.110
30 October 2009	0.111
3 November 2009, being last trading day before the date of the joint announcement issued by the Offeror and the Company dated 4 November 2009	0.113
30 November 2009	0.241
31 December 2009	0.239

- (c) The closing price of the Shares on the Stock Exchange on 6 February 2009, being the last trading day pending the issue of the Joint Announcement was HK\$0.127.
- (d) The closing price of the Shares on the Stock Exchange on 19 December 2008, being the last trading day pending the issue of the announcement in accordance with Rule 3.7 of the Takeovers Code that was published on 6 January 2009, was HK\$0.069.
- (e) The closing price of the Shares on the Stock Exchange on the Latest Practicable Date was HK\$0.260.

5. GENERAL

- (a) The registered offices of the Offeror and McCallum VC are at 2nd Floor, Abbott Building, Road Town, Tortola, British Virgin Islands. The registered offices of Corporate Smart, Big Trophy and Best Kingdom are at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The correspondence address of the Offeror, Corporate Smart, Big Trophy, McCallum VC and Best Kingdom is at Unit D, 12/F., Seabright Plaza, 9-23 Shell Street, North Point, Hong Kong.
- (b) The registered office of Somerley is at 10/F., The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.
- (c) The board of directors of the Offeror comprises Mr. Yeung, Mr. Lau and Mr. Tam.
- (d) The English language text of this Document and the accompanying Form of Acceptance shall prevail over their respective Chinese language text.

6. EXPERT AND CONSENT

The following is the name and qualification whose letter is contained in this Document:

Name	Qualification
Somerley Limited	a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

Somerley has given and has not withdrawn its written consent to the issue of this Document with copy of its letter and the references to its name included herein in the form and context in which they are respectively included.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection on the respective websites of the SFC (www.sfc.hk) and the Company (www.ngailik.com) from the date of this Document until the final closing date of the Offer:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Somerley, the text of which is set out on pages 8 to 18 of this Document;
- (c) the written consent referred to in section headed “Expert and Consent” in this appendix to this Document; and
- (d) the Subscription Agreement.