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 2010

RESULTS

The Board of Directors (the "Directors") of Ngai Lik Industrial Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2010, together with the comparative figures, as follows:

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

	NOTES	**2010** **HK$'000**	2009 HK$'000
Continuing operation			
Turnover		**849,416**	1,525,438
Cost of sales and direct expenses		**(855,710)**	(1,666,589)
Gross loss		**(6,294)**	(141,151)
Other operating expenses		**(8,174)**	(36,250)
Selling and distribution expenses		**(13,624)**	(32,671)
Administrative expenses		**(70,536)**	(151,241)
Other income		**5,376**	1,010
Gain on debt restructuring	*4*	**185,668**	–
Impairment loss on property, plant and equipment		**(8,775)**	(405,989)
Impairment loss on intangible assets		**–**	(16,471)
Finance costs		**(19,658)**	(36,204)

	NOTES	2010 HK$'000	2009 HK$'000
Profit (loss) before taxation	5	**63,983**	(818,967)
Taxation (charge) credit	6	**(2,646)**	4,772
Profit (loss) for the year from continuing operation		**61,337**	(814,195)
Discontinued operations	7		
Loss for the year from discontinued operations		**(190,735)**	(102,133)
Loss for the year and total comprehensive expense for the year, attributable to owners of the Company		**(129,398)**	(916,328)
(Loss) earnings per share	8		
From continuing and discontinued operations – basic and diluted		**(HK5.5 cents)**	(HK115.5 cents)
From continuing operation – basic and diluted		**HK2.6 cents**	(HK102.6 cents)

2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2010

	NOTES	2010 HK$'000	2009 HK$'000
Non-current assets			
Investment properties		–	203,182
Property, plant and equipment		**4,896**	287,862
Land use rights – non-current portion		–	66,582
Deposits for acquisition of property, plant and equipment and land use rights		–	766
		4,896	558,392
Current assets			
Land use rights – current portion		–	601
Inventories		**95,176**	130,619
Trade and other receivables and prepayments	*9*	**45,042**	70,790
Tax recoverable		**45**	47,494
Bank balances and cash		**19,147**	33,192
		159,410	282,696
Assets classified as held for sale	*10*	–	230,000
		159,410	512,696
Current liabilities			
Trade and other payables	*11*	**174,615**	285,412
Tax payable		**45**	84,209
Bank and other borrowings – due within one year		–	526,796
Obligations under finance leases – due within one year		**32**	2,835
Provision		**17,844**	15,175
Bank overdraft		–	1,844
		192,536	916,271
Liabilities associated with assets classified as held for sale	*10*	–	108,454
		192,536	1,024,725

	2010	2009
	HK$'000	*HK$'000*
Net current liabilities	**(33,126)**	(512,029)
Total assets less current liabilities	**(28,230)**	46,363
Non-current liabilities		
Obligations under finance leases – due after one year	**35**	754
Deferred taxation	**–**	26,956
	35	27,710
	(28,265)	18,653
Capital and reserves		
Share capital	**79,302**	79,302
Reserves	**(107,567)**	(61,669)
(Deficit) equity attributable to owners of the Company	**(28,265)**	17,633
Minority interests	**–**	1,020
Total (deficit) equity	**(28,265)**	18,653

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Company and its subsidiaries (the "Group") incurred a loss and total comprehensive expense for the year attributable to owners of the Company of approximately HK$129,398,000 for the year ended 31 March 2010 (2009: HK$916,328,000) and as of that date, the Group's current liabilities exceeded its current assets and its total liabilities exceeded its total assets by approximately HK$33,126,000 (2009: HK$512,029,000) and HK$28,265,000 (2009: total assets exceeded its total liabilities by approximately HK$18,653,000), respectively.

In view of these circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of finance in assessing whether the Group will have sufficient financial resources to continue as a going concern.

On the 11 January 2010 (the "Effective Date"), the Company announced that the capital and the group reorganisation (the "Restructuring") set out in the circular of the Company issued on 30 September 2009, and approved by the shareholders of the Company at a special general meeting on 27 October 2009, had been completed, including:

(a) 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;

(b) 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 a new investor, Success Pioneer Limited, resulting in cash consideration of HK$83.5 million;

(c) A group reorganisation and creditor scheme ("Creditor Scheme"), which 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 ("Scheme Subsidiaries"), which are controlled by the administrators appointed under Creditor Scheme (the "Administrators' Vehicle");

(d) Pursuant to the Creditor Scheme, from the Effective Date, all Scheme Indebtedness (as defined in the jointly announcement of the Company and the board of directors of Success Pioneer Limited dated 24 February 2009) was released and discharged and the 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, was made available to the Administrators' Vehicle to settle and discharge the Scheme Indebtedness, indebtedness and liabilities (actual or contingent) of the Retained Group and the Scheme Subsidiaries; and

(e) Certain portion of any net profit after tax generated from the Retained Group on a combined basis shall be paid by the Retained Group (on a pro-rata basis) to the Administrators' Vehicle for the period from the Effective Date to 31 March 2013 on a yearly basis. In the opinion of the directors of the Company, no profit is expected to be attributable to Administrators' Vehicle as the Retained Group is currently incurring losses after excluding the gain on debt restructuring and it is anticipated that the Retained Group would continue to incur losses in the foreseeable future.

The consolidated financial statements have been prepared on a going concern basis. In the opinion of the directors of the Company, the Group should be able to continue as a going concern in the coming year taking into consideration various measures to improve its financial position which include, but are not limited to, the following:

(i) On the successful implementation of the Restructuring, the Group has been released and discharged from all Scheme Indebtedness, thereby improving the liquidity position of the Group at the end of the reporting period;

(ii) The Company has the plan to have rights issue, the success of which primarily depends upon the support from the holding company of the Company. The directors of the Company believe that the holding company of the Company intends to vote in favour of the resolution on the General Mandate for issue of additional shares to be proposed at the forthcoming Annual General Meeting of the Company and to subscribe in full for those shares pursuant to the rights issue that are attributable to it to enable the Group to meet its financial obligation as they fall due for the foreseeable future; and

(iii) The directors of the Company are looking for various business alternatives to broaden its business scope and sources of income by taking business opportunities to diversify into other business through investment or business ventures to improve the profitability of the Group.

Based on the aforesaid factors, the directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments to standards and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") which are effective for the current accounting period.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning on or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39
HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 18	Transfers of Assets from Customers

Except as described below, the adoption of the new and revised HKFRSs has had no material impact on the consolidated financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) "Presentation of Financial Statements"

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

The consolidated statement of comprehensive income for the year ended 31 March 2009 has been re-presented as the property investment segment as defined in note 3 was discontinued during the year ended 31 March 2010 (see note 7). The adoption of HKAS 1 (Revised 2007) has not resulted in the presentation of a third consolidated statement of financial position as at 1 April 2008 as the comparative statement of financial position remains the same.

HKFRS 8 "Operating Segments"

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purposes of allocating resources between segments and assessing their performance. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments (see note 3).

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 "Financial Instruments: Disclosures")

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

New and revised HKFRSs affecting reported results and/or financial position

HKAS 23 (Revised 2007) "Borrowing Costs"

In previous years, the Group expensed all borrowing costs that were directly attributable to the acquisition, construction or production of a qualifying asset when they were incurred. HKAS 23 (Revised 2007) removes the option previously available to expense all the borrowing costs when incurred. The adoption of HKAS 23 (Revised 2007) has resulted in the Group changing its accounting policy to capitalise all such borrowing costs as part of the cost of the qualifying asset. The Group has applied the revised accounting policy to borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 April 2009 in accordance with the transitional provisions in HKAS 23 (Revised 2007). As the revised accounting policy has been applied prospectively from 1 April 2009, this change in accounting policy has not resulted in restatement of amounts reported in respect of prior accounting periods. In the current year, no borrowing costs were capitalised.

New and revised HKFRSs that have been issued but not yet effective

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKFRSs (Amendments)	Improvements to HKFRSs 2010[3]
HKAS 24 (Revised)	Related Party Disclosures[7]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[5]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[4]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[4]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[8]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[7]
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

[1] Effective for annual periods beginning on or after 1 July 2009
[2] Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
[3] Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
[4] Effective for annual periods beginning on or after 1 January 2010
[5] Effective for annual periods beginning on or after 1 February 2010
[6] Effective for annual periods beginning on or after 1 July 2010
[7] Effective for annual periods beginning on or after 1 January 2011
[8] Effective for annual periods beginning on or after 1 January 2013

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combinations for which the acquisition date is on or after 1 July 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 "Financial Instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

Based on the existing available information, the directors of the Company preliminarily anticipate that the adoption of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segment to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker ("CODM") for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.

In the past, the Group's primary reporting format was business segments that included electronics manufacturing services business ("EMS business"), property rental and provision of management services ("property investment") and manufacturing and trading of mobile electronic products ("mobile division"). The EMS business is engaged in design, manufacture and sale of electronic and electrical products while property investment is engaged in property rental and provision of management services. The application of HKFRS 8 has not resulted in a redesignation of the Group reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measure of segment profit or loss.

The property investment and mobile division segments were discontinued during the years ended 31 March 2010 and 2009 respectively (see note 7). The Group is currently engaged in EMS business only. The Group's results from continuing operation are derived from EMS business, which relates to the sales of electronic products and represents an operating segment under HKFRS 8. The comparative figures in the consolidated statement of comprehensive income have been re-presented to exclude the corresponding information of those discontinued operations from the Group's results from continuing operation.

(a) Geographical information

The following table provides an analysis of the Group's sales from continuing operation by geographical market and the Group's non-current assets by geographical location of the assets of the continuing operation, irrespective of the origin of the goods manufactured or services rendered:

	Turnover		Non-current assets	
	2010	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States of America	**412,463**	753,227	**–**	–
Netherlands	**47,870**	81,092	**–**	–
Brazil	**46,322**	112,680	**–**	–
France	**38,715**	46,998	**–**	–
Canada	**35,911**	31,814	**–**	–
Hong Kong	**10,559**	14,198	**4,896**	24,245
The PRC	**21,975**	79,299	**–**	534,147
Others	**235,601**	406,130	**–**	–
	849,416	1,525,438	**4,896**	558,392

(b) Major customers information

Revenue from one (2009: one) customer in the EMS business amounted to approximately HK$316,159,000 (2009: HK$349,931,000), which individually represents more than 10 per cent of the Group's total revenue.

4. GAIN ON DEBT RESTRUCTURING

The Restructuring was completed on the Effective Date. In order to reorganise the Group and to facilitate the implementation of the Creditor Scheme, the Scheme Subsidiaries were transferred to the Administrators' Vehicle of the Creditor Scheme. The Group ceases to control the Scheme Subsidiaries after the transfer.

The liabilities of those Scheme Subsidiaries that are engaged in EMS business ("EMS Scheme Subsidiaries") which have been released or discharged are set out below. The liabilities of the other Scheme Subsidiaries which are not engaged in EMS business ("Other Scheme Subsidiaries") which have also been released or discharged are set out in note 7.

	Notes	2010 *HK$'000*
Liabilities released or discharged:		
Bank overdraft		**2,373**
Trade and other payables		**76,349**
Obligation under finance lease		**891**
Provision for taxation		**105,307**
Deferred taxation		**11,531**
	(i)	**196,451**
Bank borrowings		**512,539**
Total liabilities of EMS Scheme Subsidiaries released or discharged		**708,990**
Proceeds from the issuance of shares to be transferred to the Administrators' Vehicle	*(ii)*	**(73,500)**
		635,490
Net assets of EMS Scheme Subsidiaries derecognised		**(295,968)**
		339,522
Surplus of assets over liabilities of Other Scheme Subsidiaries *(note 7)*		**(153,854)**
Gain on debt restructuring attributable to continuing operation		**185,668**

Notes:

(i) This amount represents the aggregate Scheme Indebtedness, indebtedness and liabilities (actual or contingent) of the Retained Group and the EMS Scheme Subsidiaries released and discharged at the Effective Date.

(ii) 7,137,150,000 shares with par value of HK$0.01, representing approximately 90% of the enlarged issued share capital of the Company, were issued and allotted to a new investor, Success Pioneer Limited, for a cash consideration of HK$83.5 million (approximately HK$0.012 per share). Based on the Creditor Scheme, part of the proceeds from the issuance of the shares of HK$70,000,000 was made available to the Administrators' Vehicle and HK$3,500,000 was used to settle part of the cost, charges, expenses and disbursements in connection with the Creditor Scheme (the "Costs of Restructuring").

Analysis of carrying amounts of assets and liabilities of the EMS Scheme Subsidiaries, over which control was lost is as follows:

	2010
	HK$'000
Property, plant and equipment	**200,178**
Land use rights	**19,166**
Inventories	**7,197**
Tax recoverable	**43,634**
Bank balances and cash	**23,940**
Trade and other receivables and prepayments	**2,873**
Minority interests	**(1,020)**
Net assets less minority interests of EMS Scheme Subsidiaries derecognised	**295,968**

Net cash outflow on debt restructuring is set out as below:

	2010
	HK$'000
Cash and cash equivalent balances derecognised:	
Bank balances and cash	**23,940**
Bank overdraft	**(2,373)**
Repayments of bank borrowings (made available to Administrators' Vehicle) and payment of Costs of Restructuring	**73,500**
	95,067

5. PROFIT (LOSS) BEFORE TAXATION

	Continuing operation		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Profit (loss) before taxation has been arrived at after charging (crediting):						
Directors' emoluments	**12,701**	7,712	**–**	–	**12,701**	7,712
Contributions to retirement benefit schemes of other staff	**615**	4,894	**–**	267	**615**	5,161
Other staff costs:						
– severance payment	**32,129**	6,014	**–**	3,809	**32,129**	9,823
– salaries and other staff benefits	**143,635**	222,417	**977**	31,597	**144,612**	254,014
Total staff costs	**189,080**	241,037	**977**	35,673	**190,057**	276,710
Less: Staff costs capitalised in development expenditure	**–**	(4,168)	**–**	(4,027)	**–**	(8,195)
	189,080	236,869	**977**	31,646	**190,057**	268,515
Amortisation of intangible assets, included in cost of sales	**–**	12,936	**–**	3,720	**–**	16,656
Amortisation of land use rights	**303**	1,137	**763**	539	**1,066**	1,676
Depreciation of property, plant and equipment:						
– owned assets	**17,015**	60,597	**1,890**	3,603	**18,905**	64,200
– assets held under finance leases	**284**	1,181	**–**	139	**284**	1,320
	17,299	61,778	**1,890**	3,742	**19,189**	65,520
Auditor's remuneration	**2,821**	1,825	**47**	180	**2,868**	2,005
Cost of inventories recognised as expense	**857,001**	1,659,214	**10,134**	378,456	**867,135**	2,037,670
Exchange loss (gain), net	**1,377**	8,517	**(216)**	–	**1,161**	8,517
Gain on disposal of mobile division	**–**	–	**(21,009)**	–	**(21,009)**	–
Loss on disposal of assets classified as held for sale *(note 10)*	**–**	–	**52,000**	–	**52,000**	–
Impairment loss on deposits for acquisition of land use rights	**–**	–	**–**	9,563	**–**	9,563
Impairment loss on (waive of) trade receivables	**7,579**	23,357	**(4,482)**	4,502	**3,097**	27,859
Impairment loss on intangible assets	**–**	16,471	**–**	16,413	**–**	32,884
Impairment loss on inventories	**–**	60,535	**–**	36,834	**–**	97,369
Impairment loss on property, plant and equipment	**8,775**	405,989	**–**	15,601	**8,775**	421,590
Interest income	**(2,540)**	(888)	**–**	(68)	**(2,540)**	(956)
Loss on disposal of property, plant and equipment	**1,601**	24,775	**–**	1,006	**1,601**	25,781
Net loss on investment properties	**–**	–	**24,010**	20,804	**24,010**	20,804
Operating lease rentals in respect of building premises	**339**	3,340	**3,171**	644	**3,510**	3,984
Rental and management services income net of direct expenses amounting to HK$2,159,000 (2009: HK$7,374,000)	**–**	1	**(4,566)**	5,460	**(4,566)**	5,461

6. TAXATION (CHARGE) CREDIT

	Continuing operation		Discontinued operations		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
The (charge) credit comprises:						
Current taxation						
Hong Kong						
– Over(under)provision in prior years	**3,860**	(3,910)	**–**	–	**3,860**	(3,910)
PRC Enterprise Income Tax						
– Provided for the year	**(2,000)**	(3,300)	**(111,081)**	–	**(113,081)**	(3,300)
– Underprovision in prior years	**(4,506)**	–	**–**	–	**(4,506)**	–
	(2,646)	(7,210)	**(111,081)**	–	**(113,727)**	(7,210)
Deferred taxation	**–**	11,982	**15,425**	11,121	**15,425**	23,103
Taxation (charge) credit for the year	**(2,646)**	4,772	**(95,656)**	11,121	**(98,302)**	15,893

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

(b) The Group appealed to the Board of Review against determination made by the Inland Revenue Department (the "IRD") that some profits of certain Scheme Subsidiaries ("Subsidiaries") for the years of assessment 1991/92 to 1995/96 should be Hong Kong sourced and subject to 50% of Hong Kong Profits Tax (the "Tax Appeal"). The Board of Review delivered its decision (the "Board's Decision") of the Tax Appeal whereby it dismissed the appeal of one of the subsidiaries (the "Said Subsidiary") but allowed the appeals of all other subsidiaries. The Said Subsidiary has appealed to the Court of First Instance of High Court and the Court of Appeal of High Court, against the Board's Decision and both of the appeals were dismissed in December 2007 and October 2008, respectively. The Said Subsidiary has further lodged an appeal (the "Final Appeal") to the Court of Final Appeal (the "CFA") and the Final Appeal hearing was held on 8 July 2009 but the CFA has reserved its judgment of the appeal at that date.

(c) In addition, for the years of assessment of 1996/97 to 2004/05, the IRD issued notices of assessment to the Group regarding the taxability of profits of the Subsidiaries. The Group had already lodged objections against these assessments ("Objections").

(d) At 31 March 2009, amounts of HK$8,991,000 and HK$38,503,000 have been paid to the IRD in relation to the Tax Appeal and the Objections as noted in (b) and (c) respectively and these amounts have been included in the taxation recoverable, which was derecognised upon the completion of debt restructuring as mentioned in note 4.

(e) The Commissioner of Inland Revenue had issued a writ in the District Court (the "Said Proceedings") against the Said Subsidiary to recover a sum of around HK$33,222,000 allegedly being the tax due and payable by the Said Subsidiary for the years of assessment 2000/01 to 2003/04. A hearing took place at the District Court and a judgment was delivered against the Said Subsidiary (the "Said Judgment"). The Said Subsidiary has lodged an application for, inter alia, setting aside and stay of execution of the Said Judgment in District Court. The application was declined in December 2008. The Said Subsidiary was in the course of seeking leave to appeal to the Court of Appeal of High Court. The hearing was fixed in February 2010. Upon the completion of debt restructuring, the Said Subsidiary was derecognised.

(f) In respect of the Tax Appeal and the Objections as described in (b) and (c) respectively, the Group has made provisions of HK$12,781,000 for the Tax Appeal and HK$68,030,000 for the Objections in respect of the potential tax liabilities in its consolidated statement of financial position as at 31 March 2009 in accordance with the IRD's assessments.

(g) On 24 July 2009, the CFA concluded that the additional assessments raised by the IRD for the years of assessment 1991/92 to 1995/96 were not validly made by the IRD. However, the CFA held that the IRD can raise additional assessments for the years of assessment 1993/94 to 1995/96 on a different basis. Up to the date of approval for issuance of these consolidated financial statements, the IRD had not yet issued any new additional assessments. Pursuant to the judgment of the CFA issued on 24 July 2009, the IRD has revised the additional assessments approval for issuance of these consolidated financial statements for the years of assessment 1991/92 and 1992/93 of the Said Subsidiary concluding that there was no additional amounts of tax payable for the said two years of assessment. Accordingly, the IRD has refunded the Tax Reserve Certificates purchased for the said two years of assessment (being the tax previously held over conditionally) to the Said Subsidiary. The total amount of Tax Reserve Certificates of HK$3,860,000 together with interests of HK$2,516,000 were redeemed by the Said Subsidiary in October 2009.

The taxation (charge) credit for the year from continuing operation can be reconciled to the profit (loss) before taxation per the consolidated statement of comprehensive income as follows:

	2010	2009
	HK$'000	*HK$'000*
Profit (loss) before taxation from continuing operation	**63,983**	(818,967)
Taxation (charge) credit at domestic income tax rate of 16.5% (2009: 16.5%)	**(10,557)**	135,130
Tax effect of expenses not deductible for tax purpose	**(24,409)**	(75,566)
Tax effect of income not taxable for tax purpose	**40,554**	14,766
Underprovision in prior years	**(646)**	(3,910)
Tax effect of tax losses not recognised	**(7,600)**	(15,380)
Income tax at concessionary rate	**–**	(40,465)
Change in opening balance of deferred taxation liabilities	**–**	1,711
Effect of different tax rates of subsidiaries operating in other jurisdictions	**12**	(3,364)
Others	**–**	(8,150)
Taxation (charge) credit for the year from continuing operation	**(2,646)**	4,772

7. DISCONTINUED OPERATIONS

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 shareholder 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 with the creditors of Weeteck was also held subsequently whereby the appointed liquidator was confirmed by the creditors of Weeteck.

As mentioned in notes 1(c) and (d), on the Effective Date, the Group was split into two parts, the Retained Group and the Scheme Subsidiaries. All Scheme Subsidiaries were then immediately transferred by the Company to the Administrators' Vehicle. After the Restructuring, the Group does not hold any investment property as all subsidiaries included in the property investment segment have been transferred to the Administrators' Vehicle.

An analysis of the results and cash flows of the discontinued operations included in the consolidated statement of comprehensive income and the consolidated statement of cash flows is as follows:

Loss for the year from discontinued operations

	Property investment *HK$'000*	**Mobile division** *HK$'000*	**2010** *HK$'000*
2010			
Turnover	**6,725**	**–**	**6,725**
Cost of sales	**(10,134)**	**–**	**(10,134)**
Gross loss	**(3,409)**	**–**	**(3,409)**
Selling and distribution expenses	**(2,159)**	**–**	**(2,159)**
Administrative expenses	**(35,512)**	**–**	**(35,512)**
Other income	**1,002**	**–**	**1,002**
Net loss on investment properties	**(24,010)**	**–**	**(24,010)**
Loss on disposal of assets classified as held for sale *(note 10)*	**(52,000)**	**–**	**(52,000)**
Loss before taxation	**(116,088)**	**–**	**(116,088)**
Taxation charge	**(95,656)**	**–**	**(95,656)**
Loss of discontinued operations	**(211,744)**	**–**	**(211,744)**
Gain on disposal of mobile division	**–**	**21,009**	**21,009**
(Loss) profit for the year from discontinued operations	**(211,744)**	**21,009**	**(190,735)**

Loss for the year from discontinued operations (continued)

	Property investment *HK$'000*	Mobile division *HK$'000*	2009 *HK$'000*
2009			
Turnover	12,834	312,806	325,640
Cost of sales	(7,373)	(371,083)	(378,456)
Gross profit (loss)	5,461	(58,277)	(52,816)
Other operating expenses	(238)	(1,098)	(1,336)
Selling and distribution expenses	–	(2,361)	(2,361)
Administrative expenses	(13,362)	(17,501)	(30,863)
Other income	622	81	703
Net loss on investment properties	(20,804)	–	(20,804)
Impairment loss on property, plant and equipment	–	(15,601)	(15,601)
Impairment loss on intangible assets	–	(16,413)	(16,413)
Settlement of trade payables at a discount	–	28,402	28,402
Finance costs	–	(2,165)	(2,165)
Loss before taxation	(28,321)	(84,933)	(113,254)
Taxation credit	11,121	–	11,121
Loss for the year from discontinued operations	(17,200)	(84,933)	(102,133)

	2010 ***HK$'000***	2009 *HK$'000*
Cash flows used in discontinued operations		
Net cash (used in) from operating activities	**(84,765)**	122,472
Net cash used in investing activities	**(1,155)**	(9,543)
Net cash from (used in) financing activities	**85,920**	(121,412)
Net decrease in cash flows	**–**	(8,483)

The net liabilities of Weeteck at the date of commencement of liquidation were as follows:

	2010
	HK$'000
Net liabilities derecognised	**21,009**
Gain on derecognition	**(21,009)**
	–

The liabilities of the Scheme Subsidiaries that are engaged in property investment which have been released or discharged are set out below. The liabilities of the EMS Scheme Subsidiaries which have also been released or discharged are set out in note 4.

		2010
	Notes	*HK$'000*
Liabilities released or discharged:		
Trade and other payables		**58,769**
Provision for taxation		**90,303**
Total liabilities of Other Scheme Subsidiaries released or discharged	*(i)*	**149,072**
Net assets derecognised on debt restructuring		**(302,926)**
Surplus of assets attributable to the Creditor Scheme *(note 4)*	*(ii)*	**(153,854)**

Notes:

(i) This amount represents the aggregate Scheme Indebtedness, indebtedness and liabilities (actual or contingent) of the Retained Group and the Scheme Subsidiaries released and discharged at the Effective Date.

(ii) The creditors of the Creditor Scheme are entitled to the assets of the Group through Scheme Subsidiaries.

Analysis of assets and liabilities of the Other Scheme Subsidiaries over which control was lost is as follows:

	2010
	HK$'000
Investment properties	**179,318**
Property, plant and equipment	**52,532**
Land use rights	**46,951**
Trade and other receivables and prepayments	**24,125**
Net assets derecognised	**302,926**

8. (LOSS) EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(129,398)**	(916,328)

	Number of ordinary shares	
	2010	2009
Number of ordinary shares for the purposes of basic and diluted loss per share	**2,357,323,533**	793,016,684

The computation of diluted (loss) earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price of the Company's shares for both 2010 and 2009.

From continuing operation

The calculation of the basic and diluted earnings (loss) per share from continuing operation attributable to the owners of the Company is based on the following data:

	2010	2009
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic loss per share	**(129,398)**	(916,328)
Less: Loss for the year from discontinued operations	**(190,735)**	(102,133)
Profit (loss) for the purposes of basic and diluted earnings (loss) per share from continuing operation	**61,337**	(814,195)

The denominators used are the same as those detailed above for basic earnings (loss) per share.

The computation of diluted earnings (loss) per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price of the Company's shares for both 2010 and 2009.

From discontinued operations

Basic loss per share for the discontinued operations is HK8.1 cents per share (2009: HK12.9 cents per share), based on the loss for the year from the discontinued operations of HK$190,735,000 (2009: HK$102,133,000) and the denominators detailed above for basic loss per share.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2010	2009
	HK$'000	*HK$'000*
Trade receivables	**37,024**	82,057
Less: Impairment loss	**–**	(28,114)
	37,024	53,943
Other receivables and prepayments	**8,018**	16,847
	45,042	70,790

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 analysis of trade receivables by age, presented based on invoice date at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
Current – 30 days	**36,455**	50,736
31– 60 days	**565**	218
61– 90 days	**3**	741
Over 90 days	**1**	2,248
	37,024	53,943

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no credit provision required as at the end of the reporting period.

Movements in the allowance for doubtful debts

	2010	2009
	HK$'000	*HK$'000*
Balance at the beginning of the year	**28,114**	255
Impairment losses recognised on trade receivables	**7,579**	27,859
Eliminated on debt restructuring	**(35,693)**	–
Balance at the end of the year	**–**	28,114

At 31 March 2009, included in the allowance for doubtful debts are individually impaired trade receivables with an aggregate balance of HK$28,114,000. The Group did not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2010	2009
	HK$'000	*HK$'000*
1 – 60 days	**10,704**	23,301
61-90 days	**3**	741
Over 90 days	**1**	2,248
Total	**10,708**	26,290

Trade receivables denominated in currencies other than functional currency of the relevant group entities are set out below:

	2010	2009
	HK$'000	*HK$'000*
Renminbi	**586**	1,651

10. 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 to dispose of one of the Group's factory premises located in Dongguan, the PRC (the "Disposal") for a cash consideration of HK$230,000,000. The premises were used as investment properties during the year. The buyer had paid deposits amounting to HK$63,000,000 up to 31 March 2009. As agreed by both parties in January 2010, the consideration was subsequently reduced to HK$178,000,000. Therefore, there was a loss on disposal of the assets classified as held for sale of HK$52,000,000 recognised in profit or loss during the year ended 31 March 2010. The Disposal was completed on 11 January 2010.

The major classes of assets and liabilities classified as held for sale at 31 March 2009 and 2010 are as follows:

	2010	2009
	HK$'000	*HK$'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		
Deposits received	**–**	63,000
Secured bank borrowings	**–**	45,454
Liabilities associated with assets classified as held for sale	**–**	108,454

The fair values of the Group's investment properties as at 31 March 2009 were determined by the directors of the Company. No valuation was performed by independent qualified professional valuers. The valuation performed by the directors of the Company was arrived at by reference to the selling price of the investment properties stated in the Agreement.

11. TRADE AND OTHER PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade payables	**43,723**	86,288
Bills payable	**–**	4,168
	43,723	90,456
Other payables	**130,892**	194,956
	174,615	285,412

The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

	2010	2009
	HK$'000	*HK$'000*
Current – 30 days	**28,848**	53,615
31 – 60 days	**811**	5,269
61 – 90 days	**8,664**	3,133
Over 90 days	**5,400**	28,439
	43,723	90,456

Trade and bills payables denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2010	2009
	HK$'000	*HK$'000*
Renminbi	**6,644**	15,698
Euro	**–**	8,942
	6,644	24,640

4. EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The auditor expresses an unqualified opinion but modify the auditor's report by adding emphasis of matters which auditor draws attention to the following material uncertainties :

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 31 March 2010 and of its loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Going concern basis

Without qualifying our opinion, we draw attention to note 1 to the consolidated financial statements which indicates the Group incurred a loss and total comprehensive expense for the year attributable to owners of the Company of approximately HK$129,398,000 for the year ended 31 March 2010 and as of that date, the Group's current liabilities exceeded its current assets and its total liabilities exceeded its total assets by approximately HK$33,126,000 and HK$28,265,000, respectively. As further detailed in note 1 to the consolidated financial statements, the Group has identified measures to improve its financial position, certain of which have not yet been implemented. The Group's ability to continue as a going concern is dependent on the successful implementation of these measures. These conditions therefore indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

DIVIDEND

The Board of Directors did not recommend the payment of a final dividend for year ended 31 March 2010 (2009: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The Register of Members will be closed from 25 August 2010 to 27 August 2010, 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 30 August 2010 at 4:00 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 24 August 2010.

CHAIRMAN STATEMENT

During the financial year, the Group's performance was still adversely affected by the restructuring exercise. Turnover of the Group's continuing operation for the year ended 31 March 2010 decreased by approximately 44.3% to approximately HK$849.4 million. The drop in turnover was mainly due to the lack of normal credit facilities to finance its business operations and the negative impact of group restructuring. Loss for the year ended 31 March 2010 was approximately HK$129.4 million, mainly attributable to the substantial loss of HK$211.7 million arising from the discontinued operations of property investment business.

Profit for the year from continuing operation of about HK$61.3 million exhibited significant improvement as compared to the corresponding figures of prior financial year. With the downsizing in operations, the Group managed to reduce the gross loss from HK$141.2 million to HK$6.3 million.

Thanks to the completion of the group restructuring, a gain on debt restructuring (including the mobile division) of about HK$206.7 million was recorded. Upon completion of the restructuring exercise of the Group on 11 January 2010, we have accomplished, inter alia, the following:

– all the previous claims raised from the banks to the Company and the retained subsidiaries have been fully and duly released and discharged;

– Success Pioneer Limited, the new substantial shareholder, has subscribed new shares of the Company with injection of additional capital of about HK$83.5 million; and

– all the key managements of the EMS division have remained with us and all the manufacturing operations continue under manufacturing contract processing arrangement.

During the above restructuring exercise, we have found all of our stakeholders, including customers, suppliers, bankers and employees are supportive of us. We have persisted in pursuing the company restructuring and returned Ngai Lik to a healthy position. We are also glad to advise you that we are a now debt-free company and have much room for exploring new business opportunities with our customers.

However, with a change in majority shareholding and a change in chairman of the Company, it is good time to take a fresh review of our strategy and approach for the Group.

Firstly, we have downsized much the manufacturing scale and streamlined the group structure. We have also concentrated the business of the EMS division mainly under several subsidiaries. Secondly, the Group will continue its existing principal activities under manufacturing contract processing arrangement. The Group will also conduct a detailed review of the businesses and operations in order to formulate a long term strategy and explore other businesses or investment opportunities in enhancing its future business development and strengthening its revenue base.

The business environment is still challenging. The manufacturers in Pearl River Delta have generally encountered the worsening labour shortages, as many migrant workers failed to show up after Lunar New Year holiday. In consequence, manufacturers have to offer higher salaries and better working and living conditions to attract workers. This has inevitably increased costs at a time when prices of raw materials such as plastics, paper and copper have risen rapidly as the economy is picking up. We will use our best endeavors to deal with them. Undoubtedly, the continuing support from our customers and suppliers will be equally important.

Going forward, we will further upgrade the computer system and closely monitor the business environment. Particular emphasis will be put on the new product development, including blue-ray DVD players and audio products for iPhone and iPod, to further strengthen the product quality and the product mix. Moreover, we strive to increase cash flows by controlling operating costs and adjusting the marketing as well as product strategies. We have consolidated the use of production facilities and new initiatives will be taken to further improve inventory control and accounts receivable management.

The Group will also consider suitable means to enhance its existing capital base as the statement of financial position recorded a total deficit as at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP FINANCIAL REVIEW

Turnover – continuing operation

The Group's turnover decreased to approximately HK$849.4 million for the year ended 31 March 2010, a reduction of approximately 44.3% as compared to the preceding financial period. The decline was mainly attributable to the tightened credit environment and weak demand of the consumer electronic products in the overseas markets.

Gross loss – continuing operation

The gross loss was reduced from about HK$141.2 million to about HK$6.3 million for the current financial year, thanks to the downsizing in operations and efforts in stringent cost control.

Expenses – continuing operation

The Group's administrative expenses for the year ended 31 March 2010 totalled to approximately HK$70.5 million, representing a decrease of approximately 53.4% as compared to the preceding financial period and in line with the decrease in turnover. The Group's selling and distribution expenses and the Group's finance costs amounted to approximately HK$13.6 million and approximately HK$19.7 million respectively, representing a decrease of 58.3% and 45.7% respectively as compared to last year.

Gain on debt restructuring – continuing operation

It amounted to about HK$185.7 million, mainly representing the gain on deconsolidation of certain subsidiaries upon completion of scheme of arrangement.

Loss from discontinued operations

During the year, all subsidiaries holding property investments were transferred to the Scheme Administrator appointed under the Creditor Scheme. The property investment segment was considered as discontinued operations. The loss amount was about HK$211.7 million.

Working capital management

As at 31 March 2010, the Group maintained bank balances and cash of approximately HK$19.1 million (31 March 2009: approximately HK$33.2 million). The Group's average inventory turnover days was approximately 48 days (31 March 2009: approximately 52 days).

Financing and capital structure

For the year ended 31 March 2010, the Group's total debts stood at approximately HK$67,000 (31 March 2009: approximately HK$577.7 million). Upon the completion of the restructuring exercise, the Group turned to an almost debt-free position.

Capital expenditure on property, plant and equipment

Total capital expenditure for the year was approximately HK$7.4 million (2009: HK$25.7 million), out of which approximately HK$1.5 million was spent on the acquisition of plant and machinery, approximately HK$0.6 million for the acquisition of motor vehicle and approximately HK$4.1 million for moulds investment.

Liquidity and financial resources

The net current liabilities of the Group as at 31 March 2010 was approximately HK$33.1 million (2009: HK$512.0 million). The current ratio was approximately 0.8 (2009: 0.5). Shareholders' deficits were approximately HK$28.3 million (2009: shareholders' funds of approximately HK$17.6 million) because of the significant loss of HK$129.4 million for the year. In view of the Group's current liabilities exceeded its current assets and its total liabilities exceeded its total assets, the Group will consider suitable means to enhance its capital base.

Pledge of assets

As at 31 March 2010, none of the Group's assets were pledged.

Capital Commitments

As at 31 March 2010, the Group had no material capital commitments.

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 contract manufacturing costs incurred in the PRC were denominated in RMB. The Group still monitors the overall currency and interest rate exposures.

Employee Information

As at 31 March 2010, the Group had about 70 employees (31 March 2009: 6,000). 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.

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 six months ended 30 September 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 are set in the corporate governance report contained in the Company's 2010 Annual Report issued in July 2010.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive directors, namely, Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie. The consolidated financial statements of the Group for the year ended 31 March 2010 has been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company, comprising of three independent non-executive directors namely, Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie, 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.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

Scope of work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2010 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 2010.

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.

By order of the Board
Lau Ching Kei
Chairman

Hong Kong, 27 July 2010

As at the date of this announcement, the executive Directors are Mr. Yeung Kwai Tong and Mr. Lau Ching Kei; the non-executive Director is Mr. Tam Norman Hok Cheong; and the Independent non-executive Directors are Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.

* *For identification purpose only*