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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** or transferred all your shares in Ngai Lik Industrial Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

Hong Kong Exchange and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**Ngai Lik Industrial Holdings Limited**  
**( 毅 力 工 業 集 團 有 限 公 司 )\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 332)**

**PROPOSALS INVOLVING  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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

A notice convening an annual general meeting of Ngai Lik Industrial Holdings Limited to be held on 30 August 2010 at 4:00 p.m. at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong is set out on pages 15 to 19 of this circular.

If you are not able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the holding of the AGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

30 July 2010

\* *For identification purpose only*

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:–*

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong on 30 August 2010 at 4:00 p.m., notice of which is set out on pages 15 to 19 of this circular, or any adjournment thereof
“AGM Notice”	the notice dated 30 July 2010 convening the AGM
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company for the time being
“Company”	Ngai Lik Industrial Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange (stock code: 332)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general mandate to issue Shares to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in manner set out in the ordinary resolution number 4 of the AGM Notice
“Latest Practicable Date”	27 July 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company in manner set out in the AGM Notice
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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**Ngai Lik Industrial Holdings Limited**  
**( 毅 力 工 業 集 團 有 限 公 司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 332)**

*Board of Directors:*

*Executive Directors*

Mr. Lau Ching Kei (*Chairman*)

Mr. Yeung Kwai Tong

*Non-Executive Director*

Mr. Tam Norman Hok Cheong

*Independent Non-Executive Directors*

Dr. Leung Hoi Ming

Mr. Wong Chi Keung

Mr. Tom Xie

*Registered Office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Principal place of business:*

Unit D, 12/F., Seabright Plaza,  
9-23 Shell Street, North Point,  
Hong Kong.

30 July 2010

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS INVOLVING  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information regarding the following resolutions to be proposed at the Annual General Meeting to be held on 30 August 2010 at 4:00 p.m. relating to:

- (1) the re-election of Directors;

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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- (2) the granting of the Issue Mandate and the Repurchase Mandate to the Directors;
- (3) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; and
- (4) the giving of the AGM Notice.

### **2. PROPOSED RE-ELECTION OF DIRECTORS**

Pursuant to Bye-law (87) of the Bye-Laws, Mr. Lau Ching Kei, Mr. Yeung Kwai Tong, Mr. Tam Norman Hok Cheong, Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie being appointed by the Board as additional Directors on 19 January 2010 shall be retire from office at the AGM by rotation and all the retiring Directors, being eligible, will offer themselves for re-election at the AGM.

Brief biographical and other details of the retiring Directors, offering themselves for re-election at the AGM, which are required to be disclosed by the Listing Rules are set out in Appendix I to this circular.

### **3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

The Directors are seeking the approval of ordinary resolutions at the AGM to grant to the Directors the general mandates to:

- (1) allot, issue and otherwise deal with the Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM;
- (2) purchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (3) subject to passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 7,930,166,684 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to issue up to a maximum of 1,586,033,336 Shares under the Issue Mandate and to repurchase up to a maximum of 793,016,668 Shares under the Repurchase Mandate.

The Issue Mandate provides the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily. The Directors have no present intention to exercise the Issue Mandate to allot, issue and deal with Shares and to exercise the Repurchase Mandate to repurchase Shares.

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## LETTER FROM THE BOARD

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An explanatory statement containing all the relevant information required under the Listing Rules regarding the Repurchase Mandate is set out in the Appendix II to this circular.

The information in the explanatory statement is to provide the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

#### **4. VOTING BY WAY OF POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

#### **5. AGM**

The AGM Notice is set out on pages 15 to 19 of this Circular. At the AGM, in addition to the ordinary business of the meeting, resolutions will be proposed to approve the Issue Mandate, the Repurchase Mandate and the re-election of retiring Directors.

A form of proxy for use at the AGM is enclosed herewith.

If you do not intend to attend the AGM, you are requested to complete and return the form of proxy to the principal place of business of the Company in Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting thereof (as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

#### **6. FURTHER INFORMATION**

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

Yours faithfully,  
By the order of the Board of  
**NGAI LIK INDUSTRIAL HOLDINGS LIMITED**  
**Lau Ching Kei**  
*Chairman*

Set out below are the biographical and other details of the Directors who will retire from office at the AGM and, being eligible, offer themselves for re-election in accordance with Bye-Law No. 87 of the Bye-Laws.

**EXECUTIVE DIRECTORS****Mr. Lau Ching Kei (“Mr. Lau”)**

Mr. Lau, aged 41, was appointed as an executive Director on 19 January 2010. He is also the Chairman of the Group.

He 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 information technology and retailing in the People’s Republic of China (the “PRC”) and Hong Kong. Mr. Lau is also a Chartered Financial Analyst.

Saved as disclosed above, Mr. Lau did not hold directorships in other companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Lau has not entered into any service agreement with the Company. The appointment of Mr. Lau is not for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance the Bye-Laws.

Save as being an executive Director, Mr. Lau does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the company.

As at the Latest Practicable Date, Mr. Lau did not have any interests or short positions in the Shares and underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

For the year ending 31 March 2011, Mr. Lau will be entitled to receive an annual director’s fee of HK\$180,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Lau’s experiences, scope of duties and responsibilities. He will also be entitled to a discretionary bonus for each completed year of service with reference to his performance.

Saved as disclosed above, there is no information relating to the re-election of Mr. Lau, as an executive Director, that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of retiring Director.

**Mr. Yeung Kwai Tong (“Mr. Yeung”)**

Mr. Yeung, aged 48, was appointed as an executive Director on 19 January 2010.

Mr. Yeung 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.

Saved as disclosed above, Mr. Yeung did not hold directorships in other companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Yeung has not entered into any service agreement with the Company. The appointment of Mr. Yeung is not for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance the Bye-Laws.

Save as being an executive Director, Mr. Yeung does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Yeung was deemed to be interested in 5,668,792,000 Shares. The Shares were owned by Success Pioneer Limited which is wholly-owned by Rainbow Step Limited. Rainbow Step Limited is held as to 45% by Corporate Smart Limited which in turn is wholly owned by Mr. Yeung. Save as disclosed above, Mr. Yeung did not have any other interests or short position in the Shares and underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

For the year ending 31 March 2011, Mr. Yeung will be entitled to receive an annual director’s fee of HK\$180,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Yeung’s experiences, scope of duties and responsibilities. He will also be entitled to a discretionary bonus for each completed year of service with reference to his performance.

Saved as disclosed above, there is no information relating to the re-election of Mr. Yeung as an executive Director that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of retiring Director.

**NON-EXECUTIVE DIRECTOR****Mr. Tam Norman Hok Cheong (“Mr. Tam”)**

Mr. Tam, aged 57, was appointed as a non-executive Director on 19 January 2010.

Mr. Tam 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. Mr. Tam is also deputy general manager of Hong Kong Suning Citicall Appliance Limited.

Saved as disclosed above, Mr. Tam did not hold directorships in other companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Tam has not entered into any service agreement with the Company. The appointment of Mr. Tam is not for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance the Bye-Laws.

Save as being a non-executive Director, Mr. Tam does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Tam did not have any interests or short positions in the Shares or underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

For the year ending 31 March 2011, Mr. Tam will be entitled to receive an annual director’s fee of HK\$180,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Tam’s experiences, scope of duties and responsibilities. He will also be entitled to a discretionary bonus for each completed year of service with reference to his performance.

Saved as disclosed above, there is no information relating to the re-election of Mr. Tam as a non-executive Director that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of retiring Director.

**INDEPENDENT NON-EXECUTIVE DIRECTORS****Dr. Leung Hoi Ming (“Dr. Leung”)**

Dr. Leung, aged 42, was appointed as an independent non-executive Director on 19 January 2010. He is also the member of audit Committee (“Audit Committee”) and remuneration committee (“Remuneration Committee”) of the Company.

Dr. Leung 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 22 May 2009. 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.

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 in Mathematics (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.

Saved as disclosed above, Dr. Leung did not hold directorships in other companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Dr. Leung has not entered into any service agreement with the Company. The appointment of Dr. Leung is not for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance the Bye-Laws.

Save as being an independent non-executive Director, Dr. Leung does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Dr. Leung did not held any interests or short position in Shares or underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

For the year ending 31 March 2011, Dr. Leung will be entitled to receive an annual director’s fee of HK\$180,000 from the Company. Such remuneration is determined by the Board with reference to Dr. Leung’s experiences, scope of duties and responsibilities.

Saved as disclosed above, there is no information relating to the re-election of Dr. Leung as an independent non-executive Director that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of retiring Director.

**Mr. Tom Xie (“Mr. Xie”)**

Mr. Xie, aged 61, was appointed as an independent non-executive Director on 19 January 2010. He is also the member of Audit Committee and Remuneration Committee of the Company.

Mr. Xie, 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). 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, the PRC. He is also the permanent honorary chairman of the Confederacy of Hong Kong Shanwei Clansmen Limited.

Saved as disclosed above, Mr. Xie did not hold directorships in other companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Xie has not entered into any service agreement with the Company. The appointment of Mr. Xie is not for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance the Bye-Laws.

Save as being an independent non-executive Director, Mr. Xie does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Xie did not held any interests or short position in Shares and underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

For the year ending 31 March 2011, Mr. Xie will be entitled to receive an annual director’s fee of HK\$180,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Xie’s experiences, scope of duties and responsibilities.

Saved as disclosed above, there is no information relating to the re-election of Mr. Xie that as an independent non-executive Director is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of retiring Director.

**Mr. Wong Chi Keung (“Mr. Wong”)**

Mr. Wong, aged 55, was appointed as an independent non-executive Director on 19 January 2010. He is also the member of Audit Committee and Remuneration Committee of the Company.

Mr. Wong 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 asset management, advising on securities and advising on corporate finance of 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, the shares of which are 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 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, ENM Holdings Limited, First Natural Foods Holdings Limited (provisional liquidators appointed), FUJI 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 securities of these companies are listed on the Stock Exchange. Mr. Wong has over 32 years of experience in finance, accounting and management. 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. Save as disclosed above, Mr. Wong did not hold directorships in other companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years preceding the Latest Practicable Date.

Mr. Wong has not entered into any service agreement with the Company. The appointment of Mr. Wong is not for a specific term except that he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance the Bye-Laws.

Save as being an independent non-executive Director, Mr. Wong does not have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the company.

As at the Latest Practicable Date, Mr. Wong did not held any interests or short position in Shares or underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

For the year ending 31 March 2011, Mr. Wong will be entitled to receive an annual director’s fee of HK\$240,000 from the Company. Such remuneration is determined by the Board with reference to Mr. Wong’s experiences, scope of duties and responsibilities.

Saved as disclosed above, there is no information relating to the re-election of Mr. Wong as an independent non-executive Director that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules and there are no other matters needed to be brought to the attention to the Shareholders in relation to the re-election of retiring Director.

This appendix serves as the explanatory statement to provide requisite information to the Shareholders for their consideration of the Repurchase mandate to be granted to the Directors as required under Rule 10.06 of the Listing Rules.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was 12,000,000,000 Shares, of which a total of 7,930,166,684 Shares were allotted, issued and fully paid. Subject to the passing of the ordinary resolution to approve the Repurchase mandate at the AGM and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to repurchase up a maximum of 793,016,668 Shares.

### **REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to repurchase the Shares on the market. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

### **FUNDING OF REPURCHASES**

The repurchase of Shares shall be made out of funds legally available under the laws of Bermuda and the Bye-laws for such purpose. Under the Bermuda law, repurchases may only be effected out of the capital paid up on the repurchase Shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Share Premium Account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.

As compared to the financial position of the Company as at 31 March 2010 (being the date of the Company's latest audited accounts), an exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

**SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:–

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2009</b>		
July	0.15	0.10
August	0.16	0.12
September	0.14	0.11
October	0.12	0.10
November	0.38	0.11
December	0.26	0.21
<b>2010</b>		
January	0.30	0.20
February	0.24	0.16
March	0.21	0.17
April	0.20	0.14
May	0.15	0.11
June	0.14	0.10
July*	0.11	0.08

\* up to the Latest Practicable Date

**DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently has any present intention to sell the Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

**HONG KONG CODES ON TAKEOVERS AND MERGERS AND SHARE REPURCHASES**

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increase, such increase will be treated as an acquisition and may give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, so far as the Company is aware, the substantial shareholder of the Company as at the Latest Practicable Date and in the event that the Repurchase Mandate is exercised in full is as follows:–

	<b>As at the Latest Practicable Date</b>		<b>Assuming the Repurchase Mandate is exercised in full</b>	
	<i>Number of Shares</i>	<b>Approximate %</b>	<i>Number of Shares</i>	<b>Approximate %</b>
Success Pioneer Limited	5,668,792,000	71.48	5,668,792,000	79.43

Accordingly, in the event that the Repurchase Mandate is exercised in full, the shareholdings of Success Pioneer Limited would be increased from approximately 71.48% to approximately 79.43% of the issued share capital of the Company. In the event that the Directors exercise in full of the power to repurchase Shares under the Repurchase Mandate will give rise to an obligation on Success Pioneer Limited to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no present intention to exercise the power to repurchase Shares to the extent that will give rise to an obligation on any party to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors also have no present intention to exercise the power to repurchase Shares to the extent that the aggregate amount of the issue share capital of the Company in public hands would be reduced to less than 25%.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the six calendar months preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Ngai Lik Industrial Holdings Limited** **( 毅 力 工 業 集 團 有 限 公 司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 332)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Ngai Lik Industrial Holdings Limited (the “Company”) will be held at the Conference Room, 22nd Floor, United Centre, 95 Queensway, Hong Kong on 30 August 2010 at 4:00 p.m. for the following purpose:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and the auditor for the year ended 31 March 2010;
2.
  - (a) To re-elect Mr. Lau Ching Kei as executive director of the Company;
  - (b) To re-elect Mr. Yeung Kwai Tong as executive director of the Company;
  - (c) To re-elect Mr. Tam Norman Hok Cheong as non-executive director of the Company;
  - (d) To re-elect Dr. Leung Hoi Ming as independent non-executive director of the Company;
  - (e) To re-elect Mr. Wong Chi Keung as independent non-executive director of the Company;
  - (f) To re-elect Mr. Tom Xie as independent non-executive director of the Company;  
and
  - (g) To authorise the board of directors of the Company (“Board”) to fix remuneration of the directors of the Company (“Directors”) for ensuing year;
3. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix their remuneration;

and, as special business, to consider and, if thought fit, to pass the following resolutions, with or without amendments, as indicated below:

\* *For identification purpose only*

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## NOTICE OF ANNUAL GENERAL MEETING

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### ORDINARY RESOLUTIONS

4. **“THAT:**
- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional share(s) in the capital of the Company (“Shares”) and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate nominal amount of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, otherwise than pursuant to:–
    - (i) a Rights Issue (as hereinafter defined), or
    - (ii) an issue of Shares upon the exercise of the subscription rights or conversion rights attached to any warrants which may be issued by the Company from time to time, or
    - (iii) an issue of Shares under any share option scheme or similar arrangement for the time being adopted by the Company and/or any of its subsidiaries for the grant or issue of shares or rights to acquire Shares in the capital of the Company, or
    - (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution; and the said approval shall be limited accordingly; and
  - (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting (“AGM”) of the Company; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next AGM is required by the bye-Laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution; and

“Rights Issue” means an offer of shares or issue of options to subscribe for shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to paragraphs (a) and (b) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the authority shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next AGM; or
  - (ii) the expiration of the period within which the next AGM is required by the bye-Laws of the Company or any applicable laws of Bermuda to be held; or
  - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”
6. “**THAT** conditional upon resolution numbered 4 and 5 as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued share capital of the Company which may be repurchased by the Company under the authority granted by the Directors pursuant to and in accordance with the said resolution numbered 5 above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to and in accordance with the resolution numbered 4 as set out in the notice convening this meeting.”

Yours faithfully,  
By the order of the Board  
**NGAI LIK INDUSTRIAL HOLDINGS LIMITED**  
**Lau Ching Kei**  
*Chairman*

Hong Kong, 30 July 2010

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) A form of proxy for use at the AGM is enclosed herewith.
- (2) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
- (3) In the case of joint holders of a share if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy or by a duly authorised corporate representative, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (4) The instrument appointing a proxy and (if required by the Board) the power of attorney or their authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual, or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.