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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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

The Board of Directors (“the Directors”) of Ngai Lik Industrial Holdings Limited (the “Company”) announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 September 2010, together with the comparative figures, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended	
		30 September	
		2010	2009
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Continuing operations			
Turnover	3	477,120	462,843
Cost of sales		(485,801)	(438,433)
		<hr/>	<hr/>
Gross (loss) profit		(8,681)	24,410
Other operating expenses, net		(448)	(1,178)
Other income		1,206	2,803
Selling and distribution expenses		(5,235)	(8,984)
Administrative expenses		(33,795)	(29,984)
Impairment loss on property, plant and equipment		—	(8,774)
Decrease in fair value of investment properties		—	(24,010)
Decrease in fair value of assets classified as held for sale		—	(15,909)
		<hr/>	<hr/>
Loss from operations		(46,953)	(61,626)
Finance costs		(1)	(12,810)
		<hr/>	<hr/>

		Six months ended	
		30 September	
		2010	2009
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Loss before taxation	4	(46,954)	(74,436)
Taxation charge	5	<u>—</u>	<u>(2,140)</u>
Loss for the period from continuing operations		(46,954)	(76,576)
Discontinued operation			
Gain for the period from discontinued operation		<u>—</u>	<u>21,009</u>
Loss for the period		<u>(46,954)</u>	<u>(55,567)</u>
Other comprehensive income for the period		<u>—</u>	<u>—</u>
Total comprehensive loss for the period		<u>(46,954)</u>	<u>(55,567)</u>
(Loss) earnings per share (in HK Cents)	7		
From continuing and discontinued operations			
— Basic and diluted		<u>(0.59)</u>	<u>(7.01)</u>
From continuing operations			
— Basic and diluted		<u>(0.59)</u>	<u>(9.66)</u>
From discontinued operation			
— Basic and diluted		<u>—</u>	<u>2.65</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
Non-current assets			
Property, plant and equipment	10	5,363	4,896
Interest in an associate		<u>38</u>	<u>—</u>
		<u>5,401</u>	<u>4,896</u>
Current assets			
Inventories		74,604	95,176
Trade and other receivables and prepayments	8	84,304	45,042
Taxation recoverable		45	45
Bank balances and cash		<u>11,762</u>	<u>19,147</u>
		<u>170,715</u>	<u>159,410</u>
Current liabilities			
Trade and other payables	9	233,395	174,615
Taxation payable		45	45
Obligations under finance leases			
— due within one year		32	32
Provision		<u>17,844</u>	<u>17,844</u>
		<u>251,316</u>	<u>192,536</u>
Net current liabilities		<u>(80,601)</u>	<u>(33,126)</u>
Total assets less current liabilities		<u>(75,200)</u>	<u>(28,230)</u>
Non-current liabilities			
Obligations under finance leases			
— due after one year		<u>(19)</u>	<u>(35)</u>
Net liabilities		<u>(75,219)</u>	<u>(28,265)</u>
Capital and reserves			
Share capital		79,302	79,302
Reserves		<u>(154,521)</u>	<u>(107,567)</u>
Total deficit		<u>(75,219)</u>	<u>(28,265)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2010

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Properties revaluation reserve <i>HK\$'000</i>	Share options reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total (deficit) equity <i>HK\$'000</i>
At 1 April 2009 (Audited)	79,302	82,844	—	17,460	1,583	(163,556)	17,633	1,020	18,653
Total comprehensive loss for the period	—	—	—	—	—	(55,567)	(55,567)	—	(55,567)
At 30 September 2009 (Unaudited)	<u>79,302</u>	<u>82,844</u>	<u>—</u>	<u>17,460</u>	<u>1,583</u>	<u>(219,123)</u>	<u>(37,934)</u>	<u>1,020</u>	<u>(36,914)</u>
At 1 April 2010 (Audited)	79,302	94,972	71,372	—	—	(273,911)	(28,265)	—	(28,265)
Total comprehensive loss for the period	—	—	—	—	—	(46,954)	(46,954)	—	(46,954)
At 30 September 2010 (Unaudited)	<u><u>79,302</u></u>	<u><u>94,972</u></u>	<u><u>71,372</u></u>	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>(320,865)</u></u>	<u><u>(75,219)</u></u>	<u><u>—</u></u>	<u><u>(75,219)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended	
	30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash (used in) generated from operating activities	<u>(5,836)</u>	<u>8,610</u>
Net cash used in investing activities	<u>(1,533)</u>	<u>(1,172)</u>
Net cash used in financing activities	<u>(16)</u>	<u>(33,318)</u>
Net decrease in cash and cash equivalents	(7,385)	(25,880)
Cash and cash equivalents at 1 April	<u>19,147</u>	<u>31,348</u>
Cash and cash equivalents at 30 September	<u>11,762</u>	<u>5,468</u>
Analysis of the balances of cash and cash equivalents:		
Bank balances and cash	11,762	17,419
Bank overdrafts	<u>—</u>	<u>(11,951)</u>
	<u>11,762</u>	<u>5,468</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (the “HKAS”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements set out in Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group reported a consolidated loss attributable to owners of the Company of approximately HK\$47 million for the six months ended 30 September 2010 (For the six months ended 30 September 2009: HK\$56 million) and as at 30 September 2010 the Group had net current liabilities of approximately HK\$81 million (As at 31 March 2010: HK\$33 million).

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2010.

The accounting policies adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2010, except for the adoption for the first time of the following new and revised Hong Kong Financial Reporting Standards (“HKFRS”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) and amendments to HKFRSs issued by the HKICPA, which are effective for the Group’s accounting periods beginning on 1 April 2010:

HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRS 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 32 (Amendment)	Classification of rights issues
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HK(IFRIC)-Int 17	Distribution of non-cash assets to owners

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

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

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related party disclosures ³
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters ²
HKFRS 7 (Amendments)	Disclosures — Transfer of financial assets ⁴
HKFRS 9	Financial instruments ⁵
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a minimum funding requirement ³
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments ²

- ¹ Amendments that are effective for accounting periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
- ² Effective for accounting periods beginning on or after 1 July 2010
- ³ Effective for accounting periods beginning on or after 1 January 2011
- ⁴ Effective for annual periods beginning on or after 1 July 2011
- ⁵ Effective for accounting periods beginning on or after 1 January 2013

The directors of the Company are in the process of assessing the potential impact and anticipate that the application of these new and revised standards, amendments and interpretations will have no material impact on the results and financial position of the Group.

3. TURNOVER AND SEGMENT INFORMATION

The Group is solely engaged in EMS business — Design, manufacture and sale of electronic and electrical products. The following table provides an analysis of the Group's sales by geographical market and the Group's non-current assets by geographical location of the assets, irrespective of the origin of the goods manufactured or services rendered:

	Turnover		Non-current assets	
	Six months ended 30 September 2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited)	As at 30 September 2010 HK\$'000 (Unaudited)	As at 31 March 2010 HK\$'000 (Audited)
United States of America	233,265	239,264	—	—
Netherlands	41,557	19,212	—	—
Brazil	11,826	22,149	—	—
France	12,334	17,551	—	—
Canada	33,071	30,096	—	—
Hong Kong	2,192	8,515	1,361	4,896
The PRC	—	8,291	4,002	—
Others	142,875	117,765	—	—
	<u>477,120</u>	<u>462,843</u>	<u>5,363</u>	<u>4,896</u>

4. LOSS BEFORE TAXATION

Six months ended	
30 September	
2010	2009
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

Loss before taxation has been arrived at after charging (crediting):

Depreciation of property, plant and equipment	463	9,287
Amortisation of land use rights	—	672
(Gain) loss on disposal of property, plant and equipment	(179)	3,438
Impairment loss on property, plant and equipment	—	8,774
Impairment loss on trade and other receivables	—	3,112
Interest income	(18)	(2,527)
Exchange losses (gains), net	627	(615)

5. TAXATION CHARGE

Six months ended	
30 September	
2010	2009
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

The taxation charge in continuing operations comprises:

Current taxation		
Hong Kong		
— overprovision in prior years	—	3,860
People's Republic of China ("PRC") Enterprise Income Tax		
— under provision in prior years	—	(6,000)
	<u>—</u>	<u>(6,000)</u>
Taxation charge for the period	<u>—</u>	<u>(2,140)</u>

Notes:

- No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements for the six months ended 30 September 2010 and 2009 as the companies operating in Hong Kong has no estimated assessable profits for both periods.
- Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

6. DIVIDEND

No dividend was proposed for the six months ended 30 September 2010 and 2009.

7. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share is based on the following data:

	Six months ended	
	30 September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
From continuing and discontinued operations		
Net loss for the period attributable to owners of the Company and loss for the purposes of basic and diluted loss per share	<u>(46,954)</u>	<u>(55,567)</u>
From continuing operations		
Net loss for the period attributable to owners of the Company	(46,954)	(55,567)
Less: gain for the period from discontinued operation	<u>—</u>	<u>21,009</u>
Loss for the purpose of basic and diluted loss per share	<u>(46,954)</u>	<u>(76,576)</u>
From discontinued operation		
Gain for the period from discontinued operation and gain for the purpose of basic and diluted earnings per share	<u>—</u>	<u>21,009</u>
	Number of	Number of
	Shares	Shares
Weighted average number of ordinary shares for the purpose of basic and diluted (loss) earnings per share	<u>7,930,166,684</u>	<u>793,016,684</u>
8. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS		
	As at	As at
	30 September	31 March
	2010	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade receivable (net of allowance for doubtful debts)	79,466	37,024
Other receivables and prepayments	<u>4,838</u>	<u>8,018</u>
	<u>84,304</u>	<u>45,042</u>

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

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the reporting date:

	As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
Current–30 days	78,741	36,455
31–60 days	724	565
61–90 days	—	3
Over 90 days	<u>1</u>	<u>1</u>
	<u>79,466</u>	<u>37,024</u>

9. TRADE AND OTHER PAYABLES

	As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
Trade payables	77,535	43,723
Other payables	155,828	130,892
Amount due to associates	<u>32</u>	<u>—</u>
	<u>233,395</u>	<u>174,615</u>

The following is an aged analysis of trade payables at the reporting date:

	As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
Current–30 days	73,870	28,848
31–60 days	2,493	811
61–90 days	600	8,664
Over 90 days	<u>572</u>	<u>5,400</u>
	<u>77,535</u>	<u>43,723</u>

10. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group spent approximately HK\$1.7 million on the property, plant and equipment in order to upgrade its manufacturing capabilities.

11. CAPITAL COMMITMENTS

	As at 30 September 2010 <i>HK\$'000</i> (Unaudited)	As at 31 March 2010 <i>HK\$'000</i> (Audited)
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the condensed consolidated financial statements	<u>134</u>	<u>—</u>

12. RELATED PARTY TRANSACTIONS

During the period, the Group entered into the following significant transactions with related parties in the ordinary course of business:

	<i>Notes</i>	Six months ended 30 September 2010 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited)
Sales to Qingyuan Regent International Hotel	<i>1</i>	11	—
Hotel expenses paid to Qingyuan Regent International Hotel	<i>1</i>	98	127
Non-interest bearing loan from Manfulview Limited	<i>2</i>	5,452	—
Remuneration paid to Directors and other members of key management		<u>11,763</u>	<u>4,428</u>

Notes:

1. Qingyuan Regent International Hotel is indirectly controlled by a discretionary trust for Dr. Lam Man Chan, Ms. Ting Lai Ling and Mr. Lam Shing Ngai and other family members of Dr. Lam and Ms. Ting are the beneficiary objects of the discretionary trust. Four ex-directors, Dr. Lam Man Chan, Ms. Ting Lai Ling, Mr. Lam Shing Ngai and Mr. Yeung Cheuk Kwong are directors of hotel.
2. Manfulview Limited is a company controlled by Dr. Lam Man Chan and Ms. Ting Lai Ling.

DIVIDEND

The Board of Directors have resolved not to declare an interim dividend (2009: nil) per share for six months ended 30 September 2010.

BUSINESS REVIEW

During the period from 1 April 2010 to 30 September 2010 (“the Relevant Period”), the Group suffered from a loss of about HK\$46.9 million, which was comparable to corresponding figure in the prior period. Turnover of the Group for the Relevant Period increased slightly to HK\$477.1 million from HK\$462.8 million.

The business environment for export-manufacturing is still critical despite of the recovery in global economy. The adverse factors affecting the business performance of the Group during the Relevant Period were mainly labour shortage in the Pearl River Delta resulting in the increase in wages, the depreciation in United States Dollar currency causing the reduction of the product margin, the sharp rise in material prices such as plastics, paper and copper and the more stringent policy in granting banking facilities.

In view of the adverse business environment, the Group has made its best efforts to carry out an internal corporate consolidation and business re-engineering. The Group continued its manufacturing operation under manufacturing contract processing arrangement so as to properly control its cost and minimize its operational risk. After a detailed business review of the Group, efforts have been spent in developing new high-technology products, expanding existing profitable products, increasing the manpower in product design and sales divisions and proposed restructuring of those loss making products in an orderly manner.

In November 2010, the Group rented new premises in the People’s Republic of China with an area of approximately 1,600 square meters to expand its research/development and sales divisions in an attempt to strengthening its product quality and sales strength.

Going forward, the Group will maintain its emphasis on new product development, implementation of effective cost control policy, expansion of domestic sale and the alignment of strategic partners in developing electronic and other markets.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Turnover

The Group’s turnover increased to approximately HK\$477.1 million for the period ended 30 September 2010, an increase of approximately 3.1% as compared to the preceding financial period. The rise was mainly attributable to increased sales in digital products.

Gross loss

The gross loss was about HK\$8.7 million for the period. It was mainly attributable to:

- Adverse increase in raw material costs.
- Additional royalty provisions.
- During the period, significant rise in processing fees to subcontractors was mainly resulted from the change in manufacturing mode as mentioned in the 2010 Annual Report. However the increase was offset by the decrease in certain direct manufacturing costs, like labour costs in current period.

Expenses

The Group's administrative expenses for the period ended 30 September 2010 totalled to approximately HK\$33.7 million, which is comparable to the corresponding figure in prior year. The Group's selling and distribution expenses and the Group's finance costs amounted to approximately HK\$5.2 million and approximately HK\$1,000 respectively, representing a decrease of 41.7% and 100% respectively as compared to last year.

Working Capital Management

As at 30 September 2010, the Group maintained bank balances and cash of approximately HK\$11.8 million (31 March 2010: approximately HK\$19.1 million). The Group's average inventory turnover days was approximately 33 days (31 March 2010: approximately 48 days).

Financing and Capital Structure

For the period ended 30 September 2010, the Group's total debts stood at approximately HK\$51,000 (31 March 2010: approximately HK\$67,000). 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 period was approximately HK\$1.7 million (31 March 2010: HK\$7.4 million), out of which approximately HK\$0.4 million for the acquisition of motor vehicle and approximately HK\$1.2 million for moulds investment.

Liquidity and Financial Resources

The net current liabilities of the Group as at 30 September 2010 were HK\$80.6 million (31 March 2010: net current liabilities at HK\$33.1 million). The current ratio was approximately 0.7 (31 March 2010: approximately 0.8). Shareholders' deficits were approximately HK\$75.2 million (31 March 2010: Shareholders' deficits of approximately HK\$28.3 million) because of the significant loss of HK\$46.9 million for the period. In view of the net liability and net current liability positions, the Group will consider suitable means to enhance its capital base by restructuring its operations as appropriate.

Pledge of Assets

As at 30 September 2010, none of the Group's assets were pledged.

Capital Commitments

As at 30 September 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 30 September 2010, the Group had about 70 employees (31 March 2010: 70). 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.

REVIEW OF INTERIM RESULTS

The interim results of the Group for the six months ended 30 September 2010 have not been audited, but have been reviewed by the Audit Committee of the Company.

CORPORATE GOVERNANCE

The Company has complied with 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 2010, except for the deviations from CG Code provision A2.1 in respect of the separation 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 CG Code together with reasons for the deviations are set out 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 Audit Committee has reviewed the unaudited interim results of the Group for the six months ended 30 September 2010.

REMUNERATION COMMITTEE

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

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions (the "Model Code"). Having made specific enquiry of all directors of the Company, the directors of the Company have complied with the required standard set out in the Model Code throughout the period ended 30 September 2010.

DEALING IN COMPANY'S LISTED SECURITIES

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement of interim 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 interim report of the Company contained all the information required by the Listing Rules will be published on the above websites in due course.

OUTLOOK

On 29 October 2010, the controlling shareholder of the Company, Success Pioneer Limited, entered into an agreement with, inter alia, an independent third party, Frontier Global Group Limited ("FGGL"), for the sale of 5,668,795,837 ordinary shares in the Company to FGGL at a total price of HK\$178,000,000. The sale was completed on 2 November 2010 and FGGL became the new controlling shareholder of the Company. According to Rule 26.1 of the Hong Kong Code on Takeovers and Mergers, FGGL shall make an unconditional mandatory general cash offer to all remaining shareholders for their shares in the Company at an offer price of HK\$0.0314 per ordinary share in cash. As set out in the joint announcement of FGGL and the Company dated 8 November 2010, the board of directors of the Company will be reconstituted. The existing executive directors of the Company will resign with effect after the close of the offer. FGGL intended to nominate one or more new directors to the board of directors of the Company effective from the next day following the date of despatch of the composite document to be issued in respect of the offer. Further details are set out in that joint announcement dated 8 November 2010.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank each and every of the management, staffs and employees for their dedication, loyalty and commitment in the past.

By order of the Board
Lau Ching Kei
Chairman

Hong Kong, 30 November 2010

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Lau Ching Kei (Chairman) and Mr. Yeung Kwai Tong as executive Directors, Mr. Tam Norman Hok Cheong as non-executive Director and Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie as independent non-executive Directors.

* *For identification purpose only*