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 2011

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 2011, together with the comparative figures, as follows:

I. Consolidated Statement of Comprehensive Income
For the year ended 31 March 2011

	NOTES	**2011** *HK$'000*	2010 *HK$'000*
Continuing operation			
Turnover	*3*	**675,518**	849,416
Cost of sales		**(682,074)**	(855,710)
Gross loss		**(6,556)**	(6,294)
Other operating expenses		**(1,767)**	(8,174)
Selling and distribution expenses		**(8,023)**	(13,624)
Administrative expenses		**(85,621)**	(70,536)
Other income		**2,351**	5,376
Gain on debt restructuring	*4*	**—**	185,668
Impairment loss on property, plant and equipment		**(4,523)**	(8,775)
Finance costs		**—**	(19,658)
(Loss) profit before taxation		**(104,139)**	63,983
Taxation charge	*5*	**(76)**	(2,646)
(Loss) profit for the year from continuing operation		**(104,215)**	61,337
Discontinued operations	*7*		
Loss for the year from discontinued operations		**—**	(190,735)
Loss and total comprehensive expense for the year, attributable to owners of the Company	*6*	**(104,215)**	(129,398)
(Loss) earnings per share	*8*		
From continuing and discontinued operations — basic and diluted		**(HK1.3 cents)**	(HK5.5 cents)
From continuing operation — basic and diluted		**(HK1.3 cents)**	HK2.6 cents

II. Consolidated Statement of Financial Position

At 31 March 2011

	NOTES	**2011** *HK$'000*	2010 *HK$'000*
Non-current Assets			
Investment properties		**—**	—
Property, plant and equipment		**503**	4,896
Intangible assets		**—**	—
Interest in an associate		**38**	—
		541	4,896
Current Assets			
Inventories		**9,186**	95,176
Trade and other receivables and prepayments	*9*	**27,293**	45,042
Tax recoverable		**45**	45
Pledged bank deposits		**686**	—
Bank balances and cash		**8,857**	19,147
		46,067	159,410
Current Liabilities			
Trade and other payables and accruals	*10*	**158,211**	174,615
Amounts due to related parties		**2,839**	—
Amount due to an associate		**38**	—
Tax payable		**121**	45
Obligations under finance leases — due within one year		**32**	32
Provision		**17,844**	17,844
		179,085	192,536
Net Current Liabilities		**(133,018)**	(33,126)
Total Assets Less Current Liabilities		**(132,477)**	(28,230)
Non-current Liabilities			
Obligations under finance leases — due after one year		**3**	35
Deferred taxation		**—**	—
		3	35
		(132,480)	(28,265)
Capital and Reserves			
Share capital		**79,302**	79,302
Reserves		**(211,782)**	(107,567)
Deficits attributable to owners of the Company		**(132,480)**	(28,265)
Non-controlling interests		**—**	—
Total Deficits		**(132,480)**	(28,265)

III. 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$104,215,000 for the year ended 31 March 2011 (2010: HK$129,398,000) 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$133,018,000 (2010: HK$33,126,000) and HK$132,480,000 (2010: HK$28,265,000), respectively.

In view of these circumstances, the directors of the Company have given 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.

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) Pursuant to a loan agreement dated 24 June 2011 (the "Agreement"), an unsecured and interest-free loan of HK$61,000,000, which is repayable after two years from the date of the Agreement, is provided by Frontier Global Group Limited, the holding company of the Company. The directors of the Company believe that such source of fund would be adequate to enable the Group to meet its financial liabilities and obligations as they fall due for the foreseeable future, thereby improving the liquidity position of the Group;

(ii) The directors of the Company expect that payments by the Group in respect of the accrued royalty expenses amounting to approximately HK$110,037,000 would not be required within the next twelve months from the end of the reporting period; 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 and interpretations ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 32 (Amendments)	Classification of Rights Issues
HKAS 39 (Amendments)	Eligible Hedged Items
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners
HK — Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

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)	Improvements to HKFRSs issued in 2010[1]
HKFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets[4]
HKFRS 9	Financial Instruments[6]
HKFRS 10	Consolidated Financial Statements[6]
HKFRS 11	Joint Arrangements[6]
HKFRS 12	Disclosure of Involvement with Other Entities[6]
HKFRS 13	Fair Value Measurement[6]
HKFAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[5]
HKAS 24 (as revised in 2009)	Related Party Disclosures[3]
HKAS 27 (as revised in 2011)	Separate Financial Statements[6]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[6]
HK(IFRIC) — Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 July 2011
5 Effective for annual periods beginning on or after 1 January 2012
6 Effective for annual periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statement of the Group.

3. SEGMENT INFORMATION

HKFRS 8 "Operating Segments" requires operating and reportable segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the board of directors) for the purpose of allocating resources to segments and assessing their performance.

The Group's reportable and operating segments include electronics manufacturing services business ("EMS business") and property rental and provision of management services ("property investment"). 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 property investment segment was discontinued during the year ended 31 March 2010 (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 manufacture and sales of electronic products and represents an operating segment under HKFRS 8.

(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	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
United States of America	**266,987**	412,463	**—**	—
Netherlands	**60,823**	47,870	**—**	—
Canada	**47,266**	35,911	**—**	—
Chile	**33,303**	21,654	**—**	—
Panama	**27,656**	19,036	**—**	—
Brazil	**19,625**	46,322	**—**	—
France	**15,366**	38,715	**—**	—
Hong Kong	**2,421**	10,559	**541**	4,896
The People's Republic of China (the "PRC")	**23,603**	21,975	**—**	—
Others	**178,468**	194,911	**—**	—
	675,518	849,416	**541**	4,896

(b) Major customers information

The Group concentration of credit risk as 99% (2010: 67%) of the total trade receivables was due from two customers in EMS segment that are independent third parties.

Revenue from one (2010: one) customer, an independent third party, in the EMS business amounted to approximately HK$266,976,000 (2010: HK$316,159,000), which individually represents more than 10 per cent of the Group's total revenue.

4. GAIN ON DEBT RESTRUCTURING

During the year ended 31 March 2011, there was no debt restructuring.

During the year ended 31 March 2010, the Restructuring was completed on the Effective Date. In order to reorganise the Group and to facilitate the implementation of the 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 other subsidiaries ("Scheme subsidiaries") which were controlled by the administrators appointed under Creditor Scheme (the "Administrators' Vehicle"), the Scheme Subsidiaries were transferred to the Administrators' Vehicle of the Creditor Scheme. The Group ceased to control the Scheme Subsidiaries after the transfer.

The liabilities of those Scheme Subsidiaries that were engaged in EMS business ("EMS Scheme Subsidiaries") which had been released or discharged were set out below. The liabilities of the other Scheme Subsidiaries which were not engaged in EMS business ("Other Scheme Subsidiaries") which had also been released or discharged were 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 *(see below)*		(348,500)
		286,990
Surplus of assets over liabilities of Other Scheme Subsidiaries *(note 7)*		(101,322)
Gain on debt restructuring attributable to continuing operation		185,668

Notes:

(i) This amount represents the aggregate Scheme Indebtedness (as defined in the jointly announcement of the Company and the board of directors of Success Pioneer Limited dated 24 February 2009), 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 the former holding company, 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	252,710
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
Non-controlling interests	(1,020)
Net assets less non-controlling interests of EMS Scheme Subsidiaries derecognised	348,500

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. TAXATION CHARGE

	Continuing operation		**Discontinued operations**		**Consolidated**	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
The credit (charge) comprises:						
Current taxation						
Hong Kong						
— Provided for the year	**(76)**	—	**—**	—	**(76)**	—
— Overprovision in prior years	**—**	3,860	**—**	—	**—**	3,860
PRC Enterprise Income Tax						
— Provided for the year	**—**	(2,000)	**—**	(111,081)	**—**	(113,081)
— Underprovision in prior years	**—**	(4,506)	**—**	—	**—**	(4,506)
	(76)	(2,646)	**—**	(111,081)	**(76)**	(113,727)
Deferred taxation	**—**	—	**—**	15,425	**—**	15,425
Taxation charge for the year	**(76)**	(2,646)	**—**	(95,656)	**(76)**	(98,302)

(a) Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

(b) Tax appeal relating to Scheme Subsidiaries.

(1) In previous years, 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.

(2) 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").

(3) 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 (1) and (2) 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.

(4) 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.

(5) In respect of the Tax Appeal and the Objections as described in (1) and (2) 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.

(6) On 24 July 2009, the Said Subsidiary as described in (1), 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 the consolidated financial statements for the year ended 31 March 2010, 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 for the year from continuing operation can be reconciled to the (loss) profit before taxation per the consolidated statement of comprehensive income as follows:

	2011	2010
	HK$'000	*HK$'000*
(Loss) profit before taxation from continuing operation	**(104,139)**	63,983
Taxation credit (charge) at domestic income tax rate of 16.5% (2010: 16.5%)	**17,183**	(10,557)
Tax effect of expenses not deductible for tax purpose	**(3,576)**	(24,409)
Tax effect of income not taxable for tax purpose	**80**	40,554
Underprovision in prior years	**—**	(646)
Tax effect of tax losses not recognised	**(13,184)**	(7,600)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**—**	12
Others	**(579)**	—
Taxation charge for the year from continuing operation	**(76)**	(2,646)

6. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

	Continuing operation		Discontinued operations		Consolidated	
	2011	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss and total comprehensive expense for the year has been arrived at after charging (crediting):						
Directors' emoluments	**1,208**	12,701	**—**	—	**1,208**	12,701
Contributions to retirement benefit schemes of other staff	**266**	615	**—**	—	**266**	615
Other staff costs:						
— severance payment	**—**	32,129	**—**	—	**—**	32,129
— salaries and other staff benefits	**140,264**	143,635	**—**	977	**140,264**	144,612
Total staff costs	**141,738**	189,080	**—**	977	**141,738**	190,057
Amortisation of land use rights	**—**	303	**—**	763	**—**	1,066
Depreciation of property, plant and equipment:						
— owned assets	**888**	17,015	**—**	1,890	**888**	18,905
— assets held under finance leases	**—**	284	**—**	—	**—**	284
	888	17,299	**—**	1,890	**888**	19,189
Auditor's remuneration	**1,380**	2,821	**—**	47	**1,380**	2,868
Cost of inventories recognised as expense*	**682,074**	855,710	**—**	10,134	**682,074**	865,844
Exchange loss (gain), net	**1,767**	1,377	**—**	(216)	**1,767**	1,161
Gain on disposal of mobile division	**—**	—	**—**	(21,009)	**—**	(21,009)
Loss on disposal of assets classified as held for sale	**—**	—	**—**	52,000	**—**	52,000
Impairment loss on (waiver of) trade receivables	**5,530**	7,579	**—**	(4,482)	**5,530**	3,097
Impairment loss on other receivables	**7,041**	—	**—**	—	**7,041**	—
Impairment loss on property, plant and equipment	**4,523**	8,775	**—**	—	**4,523**	8,775
Reversal of provision on inventories	**(3,253)**	—	**—**	—	**(3,253)**	—
Interest income	**(48)**	(2,540)	**—**	—	**(48)**	(2,540)
(Gain) loss on disposal of property, plant and equipment	**(374)**	1,601	**—**	—	**(374)**	1,601
Net loss on investment properties	**—**	—	**—**	24,010	**—**	24,010
Operating lease rentals in respect of building premises	**973**	339	**—**	3,171	**973**	3,510
Rental and management services income net of direct expenses amounting to HK$nil (2010: HK$2,159,000)	**—**	—	**—**	(4,566)	**—**	(4,566)

* Direct labour costs included in cost of inventories recognised as an expense amounted to HK$91,331,000 (2010: HK$112,320,000) are also included in other staff costs.

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 trading and production business during the year ended 31 March 2010. 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 note 4, 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 did not hold any investment property as all subsidiaries included in the property investment segment had 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 was 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	(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)

	2010 *HK$'000*
Cash flows used in discontinued operations	
Net cash used in operating activities	(84,765)
Net cash used in investing activities	(1,155)
Net cash from financing activities	85,920
Net decrease in cash flows	—

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 were engaged in property investment which had been released or discharged were set out below. The liabilities of the EMS Scheme Subsidiaries which had also been released or discharged were 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		(250,394)
Surplus of assets attributable to the Creditor Scheme *(note 4)*	*(ii)*	(101,322)

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 was as follows:

	2010
	HK$'000
Investment properties	179,318
Land use rights	46,951
Trade and other receivables and prepayments	24,125
Net assets derecognised	250,394

There are no discontinued operations of the Group incurred during the year ended 31 March 2011.

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:

	2011	2010
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(104,215)**	(129,398)

	Number of ordinary shares	
	2011	2010
Number of ordinary shares for the purposes of basic and diluted loss per share	**7,930,166,684**	2,357,323,533

The computation of diluted 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 2011 and 2010.

From continuing operation

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

	2011	2010
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic loss per share	**(104,215)**	(129,398)
Less: Loss for the year from discontinued operations	**—**	190,735
(Loss) profit for the purposes of basic and diluted (loss) earnings per share from continuing operation	**(104,215)**	61,337

The denominators used are the same as those detailed above for loss per share from continuing and discontinued operations.

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 2011 and 2010.

From discontinued operations

No loss per share information is disclosed for the year ended 31 March 2011 as there are no discontinued operations of the Group incurred.

Basic and diluted loss per share for the discontinued operations for the year ended 31 March 2010 is HK8.1 cents per share, based on the loss for the year from the discontinued operations of HK$190,735,000 and the denominators detailed above.

9. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2011	2010
	HK$'000	*HK$'000*
Trade receivables	**8,834**	37,024
Less: Impairment loss	**(5,529)**	—
	3,305	37,024
Amount due from Scheme Subsidiaries *(Note)*	**30,366**	—
Other receivables and prepayments	**663**	8,018
Less: Impairment loss on amount due from Scheme Subsidiaries	**(7,041)**	—
	27,293	45,042

Note: The amount represents the expenses incurred by the Scheme Subsidiaries prior to the Effective Date which were paid on behalf of the Scheme Subsidiaries during the current year. Impairment loss on amount due from Scheme Subsidiaries amounting to HK$7,041,000 (2010: nil) has been recognised at the end of the reporting period. The amount (net of impairment loss) is unsecured, interest-free and repayable on demand. The amount is expected to be settled within 12 months from the end of the reporting period.

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 (net of impairment losses), presented based on invoice date at the end of the reporting period:

	2011	2010
	HK$'000	*HK$'000*
Current–30 days	**2,444**	36,455
31–60 days	**4**	565
61–90 days	**856**	3
Over 90 days	**1**	1
	3,305	37,024

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

	2011	2010
	HK$'000	*HK$'000*
Balance at the beginning of the year	**—**	28,114
Impairment losses recognised on trade receivables	**5,530**	7,579
Amounts written off as uncollective	**(1)**	—
Eliminated on debt restructuring	**—**	(35,693)
Balance at the end of the year	**5,529**	—

Ageing of trade receivables which are past due but not impaired

	2011 *HK$'000*	2010 *HK$'000*
1–60 days	**4**	10,704
61–90 days	**856**	3
Over 90 days	**1**	1
Total	**861**	10,708

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

	2011 *HK$'000*	2010 *HK$'000*
RMB	**—**	586
USD	**857**	—

10. TRADE AND OTHER PAYABLES AND ACCRUALS

	2011 *HK$'000*	2010 HK$'000
Trade payables	**3,165**	43,723
Other payables		
— Amount due to Scheme Subsidiaries *(Note(i))*	**21,650**	—
— Others	**18,708**	45,850
Accruals		
— Accrued royalty expenses *(Note (ii))*	**114,688**	85,042
	158,211	174,615

Note:

(i) The amount represents the rental expenses payable, machinery lease payables, and subcontracting fees payables to Scheme Subsidiaries. The amount is interest-free and repayable on demand.

(ii) the amount represents the royalty expenses accrued based on the management's best estimation of the Group's potential liability in relation to intellectual properties used for the production of electronic products.

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

	2011 *HK$'000*	2010 *HK$'000*
Current–30 days	**1,246**	28,848
31–60 days	**206**	811
61–90 days	**1,695**	8,664
Over 90 days	**18**	5,400
	3,165	43,723

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

	2011	2010
	HK$'000	*HK$'000*
Renminbi ("RMB")	**262**	6,644
United States dollars ("USD")	**1,804**	—
	2,066	6,644

IV. EXTRACTED FROM INDEPENDENT AUDITOR'S REPORT

The auditor expressed an unqualified opinion but modified the auditor's report by adding an emphasis of matter paragraph to draw attention to the following material uncertainty:

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 2011, 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.

Emphasis of Matter

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$104,215,000 for the year ended 31 March 2011 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$133,018,000 and HK$132,480,000, 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 2011 (2010: Nil).

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The Register of Members will be closed from 10 August 2011 to 15 August 2011, 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 15 August 2011 at 3:00 p.m., all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrars in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 9 August 2011.

CHAIRMAN STATEMENT

During the financial year, the Group suffered from a loss of about HK$104 million, which was comparable to corresponding figure in prior period. Turnover of the Group for the year ended 31 March 2011 decreased from HK$849 million to HK$676 million.

The business environment for export-manufacturing is critical despite of the recovery in global economy. The adverse factors mainly included labour shortage in Pearl River Delta and the sharp rise in material prices, such as plastics, paper and copper.

Moreover, certain orders of customers could not be well fulfilled, mainly because of the lack of appropriate bank finance.

In view of the above, we carried out reviews on the Group's operation and marketing strategy. It came to our conclusion that certain products which were either at their decline stage or had been loss-making consistently would be eliminated gradually in order to refresh our product mix for healthier growth in future.

Going forward, we will strive to increase cash flows by controlling operating costs through various measures, including further elimination of loss-making products and close-down of product lines which are incurring excessive overheads.

We also endeavor to improve our current product market mix through product development and market penetration. We will introduce new products through product innovation, as well as improve quality of current products to achieve higher margin. On the other hand, emphasis will be put on marketing current profitable products to encourage need from existing customers.

We will keep on exploring new business opportunities to create value for our shareholders. Particularly, we have set up a new business line in oil trading subsequent to the financial year, which is expected to take over the EMS division as a major revenue stream of the Group in near future.

The Group will also consider suitable means to enhance its existing capital base as the balance sheet recorded a net liability as at the end of reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP FINANCIAL REVIEW

Turnover

The Group's turnover decreased to approximately HK$675.5 million for the year ended 31 March 2011, a reduction of approximately 20.5% 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

The gross loss was about HK$6.6 million for the year ended 31 March 2011 whereas the gross loss was about HK$6.3 million in prior year. It was mainly attributable to high level of overheads resulting from smaller production scale and provision for royalties.

Expenses

The Group's administrative expenses for the year ended 31 March 2011 totalled to approximately HK$86 million, representing an increase of 21.4% as compared to the corresponding figures last period. The Group's selling and distribution expenses amounted to approximately HK$8 million, representing a decrease of approximately 41.1% as compared to the preceding financial period. No finance costs were incurred during the financial period as compared to about HK$19.7 million in the preceding financial period.

Working Capital Management

As at 31 March 2011, the Group maintained bank balances and cash of approximately HK$9 million (31 March 2010: approximately HK$19 million). The division's average inventory turnover days was approximately 28 days (31 March 2010: approximately 48 days).

Financing and Capital Structure

As at 31 March 2011, the Group's total debts stood at approximately HK$2,874,000 (31 March 2010: approximately HK$67,000).

Capital Expenditure on Property, Plant and Equipment

Total capital expenditure for the year was approximately HK$3.6 million (31 March 2010: HK$7.4 million), mainly spent on moulds investment.

Liquidity and Financial Resources

The net liabilities of the Group as at 31 March 2011 were HK$132.5 million (31 March 2010: HK$28.3 million). The current ratio was approximately 0.3 (31 March 2010: approximately 0.8). Shareholders' deficits were approximately HK$132.5 million (31 March 2010: HK$28.3 million) because of the significant loss of HK$104.2 million for the year. In view of the net liability and net current liability positions, the Group will consider suitable means to enhance its capital base.

Pledge of Assets

As at 31 March 2011, bank deposits amounting HK$0.7 million (31 March 2010: HK$Nil) were pledged.

Capital Commitments

As at 31 March 2011, 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 USD. As Hong Kong Dollars and USD 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 2011, the Group had approximately 60 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.

CORPORATE GOVERNANCE

The Company has complied with the all the applicable code provisions set out in the Code on Corporate Governance Practices ("the CG Code") in Appendix 14 of the Listing Rules throughout the year ended 31 March 2011, 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 2011 Annual Report to be issued in July 2011.

AUDIT COMMITTEE

The Audit Committee has reviewed the consolidated financial statements of the Group for the year ended 31 March 2011. The Audit Committee comprises three independent non-executive directors, namely, Dr. Leung Hoi Ming, Mr. Wong Chi Keung and Mr. Tom Xie.

REMUNERATION COMMITTEE

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

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 2011 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 preformed 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 2011.

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
Wang Jianqing
Chairman

Hong Kong, 30 June 2011

As at the date of this announcement, the executive Directors are Mr. Wang Jianqing and Mr. Pan Junfeng; and the Independent non-executive Directors are Dr. Leung Hoi Ming, Mr. Wong Chi Keung, Mr. Tom Xie and Mr. Lo Wai Hung.

* *For identification purpose only*