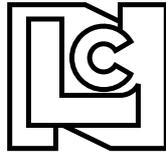


*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents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



**NGAI LIK INDUSTRIAL HOLDINGS LIMITED**  
**毅力工業集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 332)

**DISCLOSEABLE TRANSACTION**

The Board announces that Elite International Capital Limited, a wholly-owned subsidiary of the Company, disposed of 8,768,000 shares in Hop Fung (representing approximately 2.29% of the issued share capital of Hop Fung as at the date of this announcement) during the period from 9 June 2006 to 6 October 2006 for an aggregate gross consideration of approximately HK\$15.95 million, resulting in a net gain of approximately HK\$2.74 million. After the Disposals, the Group does not have any shareholding in Hop Fung as at the date of this announcement.

Upon disposal of the remaining shares of Hop Fung on 6 October 2006, the Disposals, when aggregated, constituted a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposals will be despatched to the shareholders of the Company as soon as practicable.

**THE DISPOSALS**

The Board announces that Elite International Capital Limited, a wholly-owned subsidiary of the Company, disposed of 8,768,000 shares in Hop Fung (representing approximately 2.29% of the issued share capital of Hop Fung as at the date of this announcement) at the disposal price ranging from HK\$1.75 per share of Hop Fung to HK\$2.00 per share of Hop Fung in the market through securities brokerage firms to Independent Third Parties during the period from 9 June 2006 to 6 October 2006 for an aggregate gross consideration of approximately HK\$15.95 million. The Disposals were conducted through securities brokerage firms, being Independent Third Parties, for commission.

Prior to the Disposals, Elite International Capital Limited held 8,768,000 shares in Hop Fung, representing approximately 2.29% of the issued share capital of Hop Fung as at the date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the securities brokerage firms and purchasers are Independent Third Parties.

After the Disposals, the Group does not have any shareholding in Hop Fung as at the date of this announcement.

Hop Fung and its subsidiaries are principally engaged in manufacturing and sales of corrugated paper-ware products.

For the two years ended 31 December 2005, the profit before taxation of Hop Fung was approximately HK\$74.6 million and approximately HK\$70.8 million respectively and the profit after taxation was approximately HK\$66.9 million and approximately HK\$69.7 million respectively.

### **REASONS AND BENEFIT FOR THE DISPOSALS**

The shares of Hop Fung were held by the Group as “Non-current assets-available-for-sale financial assets”. As at 31 March 2006, the carrying value of available-for-sale financial assets was approximately HK\$16.92 million.

The aggregate consideration of approximately HK\$15.89 million, which was reached after taking into account the market conditions prevailing at the respective relevant times, is being or is to be credited into Elite International Capital Limited’s accounts at the respective securities brokerage firms two days after the relevant transactions took place.

The Directors are of the view that the Disposals were in the interest of the Group and the terms of the Disposals were in normal commercial terms, which were fair and reasonable and in the interests of the shareholders of the Company as a whole as it provides an opportunity to the Group in realising the shares of Hop Fung with a profit. The Board considered the Disposals represented good opportunities for the Group to realise a gain.

Based on the aggregate consideration of approximately HK\$15.89 million comparing to the carrying value of approximately HK\$16.92 million, the Disposals resulted in a loss of approximately HK\$1.03 million. Taking into account of the realisation of the reserve for increase in fair value of available-for-sale financial assets of approximately HK\$3.77 million as at 31 March 2006, the Disposals resulted in a net gain of about HK\$2.74 million.

### **USE OF NET PROCEEDS**

The net proceeds of approximately HK\$15.89 million arising from the Disposals (after deducting the trading expenses of approximately HK\$54,000) will be used for general working capital of the Group.

### **GENERAL**

The Company is an investment holding company. The Group is currently organised into two operating activities – electronics manufacturing services business and property investment.

Upon disposal of the remaining shares of Hop Fung on 6 October 2006, the Disposals, when aggregated, constituted a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules. A circular containing, among other things, further details of the Disposals will be despatched to the shareholders of the Company as soon as practicable.

## DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Ngai Lik Industrial Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the director(s) of the Company;
“Disposals”	the series of disposals of an aggregate of 8,768,000 shares of Hop Fung held by the Group to Independent Third Parties through securities brokerage firms during the period from 9 June 2006 to 6 October 2006 for an aggregate gross consideration of approximately HK\$15.95 million;
“Group”	the Company and its subsidiaries;
“Hop Fung”	Hop Fung Group Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Independent Third Parties”	person(s), or in the case of companies, their ultimate beneficial owner(s), who are independent of and not connected with the Company and its connected persons or their respective associates (as “associates” is defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

By Order of the Board  
**Lam Man Chan**  
*Chairman*

Hong Kong, 16 October 2006

*As at the date of this announcement, the Board comprises four executive Directors, namely Dr. Lam Man Chan, Ms. Ting Lai Ling, Ms. Ting Lai Wah and Mr. Yeung Cheuk Kwong, and three independent non-executive Directors, namely Mr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.*

*\* For identification purpose only*

Please also refer to the published version of this announcement in The Standard.