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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)

PRELIMINARY AGREEMENT BETWEEN THE COMPANY AND ITS CREDITORS, POSSIBLE AMENDMENTS TO THE EXISTING TERMS OF THE SUBSCRIPTION AGREEMENT AND RESUMPTION OF TRADING

Preliminary agreement between the Company and its creditors

The Board wishes to inform the Shareholders and potential investors that the Company has been informed by the Supporting Creditors that, subject to review of the final documentation and security package offered and being satisfied with the same under the Creditor Scheme, the Supporting Creditors support the Creditor Scheme as proposed in the Subscription Agreement (though such support is indicative and non-binding and each of the Supporting Creditors reserves its right to withdraw its support at any time). In light of the support to the Creditor Scheme from the Supporting Creditors, the Company has decided not to exercise its right under the Subscription Agreement to give a notice in writing to the Subscriber to terminate the Subscription Agreement.

Further announcement(s) will be made to inform the Shareholders and potential investors of any further developments as and when appropriate. **Shareholders and potential investors should be aware that the Subscription is subject to certain conditions being fulfilled or waived (if applicable) and may or may not be completed and hence Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

Possible amendment to the existing terms of the Subscription Agreement

The Board would like to advise the Shareholders and potential investors that the Company is currently discussing and in negotiations with the Subscriber on certain terms of the Subscription Agreement, which may result in certain amendments to the existing terms of the Subscription Agreement. As at the date of this announcement, the Company and the Subscriber have not yet finalised the details of such amendments. However, so far as the Board is aware, the Whitewash Waiver shall not be affected by any amendments to the Subscription Agreement.

Resumption of trading

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 2:37 p.m. on 12 March 2009 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 24 March 2009 has been made by the Company.

Reference is made to the joint announcements dated 24 February 2009 and 11 March 2009 (the “Joint Announcements”) issued by the Board and the board of the Subscriber and the announcement of the Company dated 17 March 2009 with regards to, among other things, the Group Reorganisation, the Creditor Scheme and the Subscription Agreement. Unless otherwise stated, terms defined in the Joint Announcements have the same meanings in this announcement.

Preliminary agreement between the Company and its creditors

Pursuant to the terms of the Subscription Agreement and the extension deed entered into by the Company and the Subscriber on 11 March 2009, if the Company cannot reach preliminary agreement with at least a majority in both value and number of the creditors of the Company in respect of the major terms of the Creditor Scheme on or before 20 March 2009 (or such other date as mutually agreed by the Company and the Subscriber), the Company has the right (but not as an obligation) to give a notice in writing to the Subscriber to terminate the Subscription Agreement. In this connection, the Board wishes to inform the Shareholders and potential investors that the Company has been informed by certain creditors of the Company (the “Supporting Creditors”) that, subject to review of the final documentation and security package offered and being satisfied with the same under the Creditor Scheme, the Supporting Creditors support the Creditor Scheme as proposed in the Subscription Agreement (though such support is indicative and non-binding and each of the Supporting Creditors reserves its right to withdraw its support at any time). In light of the support to the Creditor Scheme from the Supporting Creditors, the Company has decided not to exercise its right under the Subscription Agreement to give a notice in writing to the Subscriber to terminate the Subscription Agreement.

Further announcement(s) will be made to inform the Shareholders and potential investors of any further developments as and when appropriate. **Shareholders and potential investors should be aware that the Subscription is subject to certain conditions being fulfilled or waived (if applicable) and may or may not be completed and hence Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

In addition, the Board would also like to inform the Shareholders and potential investors that based on the information available from certain of its creditors, the Company learns that some of the Company's creditors and their advisers have been formally approached by an independent third party (the "Independent Third Party") who has expressed interest in investment in the Company with an alternative restructuring proposal. However, so far as the Board is aware, such alternative restructuring proposal has not been further considered by such creditors of the Company. Accordingly, the Board has decided not to have any formal discussion with the Independent Third Party regarding the alternative restructuring proposal.

Possible amendment to the existing terms of the Subscription Agreement

The Board would like to advise the Shareholders and potential investors that the Company is currently discussing and in negotiations with the Subscriber on certain terms of the Subscription Agreement, which may result in certain amendments to the existing terms of the Subscription Agreement. As at the date of this announcement, the Company and the Subscriber have not yet finalised the details of such amendments. However, so far as the Board is aware, the Whitewash Waiver shall not be affected by any amendments to the Subscription Agreement. Further announcement will be made to inform the Shareholders and potential investors as and when appropriate.

Resumption of trading

At the request of the Company, trading in the Shares on the Main Board of the Stock Exchange was suspended with effect from 2:37 p.m. on 12 March 2009 pending the release of this announcement. Application for the resumption of trading in the Shares on the Main Board of the Stock Exchange with effect from 9:30 a.m. on 24 March 2009 has been made by the Company.

Hong Kong, 23 March 2009

By Order of the Board
Ngai Lik Industrial Holdings Limited
Lam Man Chan
Chairman

* *For identification purpose only*

As at the date of this announcement, the executive directors of the Company are Dr. Lam Man Chan, Ms. Ting Lai Ling, Ms. Ting Lai Wah, Mr. Yeung Cheuk Kwong and Mr. Lam Shing Ngai, and the independent non-executive directors of the Company are Mr. Ng Chi Yeung, Simon and Mr. Tam Yuk Sang, Sammy and Mr. Ho Lok Cheong.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statements in this announcement misleading.