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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)**

**Financial adviser to**

**Ngai Lik Industrial Holdings Limited**



**SUCCESS PIONEER  
LIMITED**

*(Incorporated in the British Virgin*

*Islands with limited liability)*

**Financial adviser to**

**Success Pioneer Limited**



**SECOND AMENDMENT DEED BETWEEN  
THE COMPANY AND THE SUBSCRIBER**

The Board is pleased to announce that on 28 April 2009, as a result of the further discussions between the Company and the Subscriber and having taken into consideration the advices from the Company's creditors, the Company and the Subscriber entered into the Second Amendment Deed for the purposes of increasing the Share Consideration under the Subscription Agreement and effecting certain amendments to the terms of the Subscription Agreement.

Other than the amendments disclosed in the joint announcement issued by the Board and the board of the Subscriber dated 11 March 2009 and as set out in the Second Amendment Deed, all other terms of the Subscription Agreement shall remain unchanged and continue to be in force and effect in all respects. For the avoidance of doubt, the Whitewash Waiver is not affected by the Second Amendment Deed.

As at the date of this announcement, none of the conditions precedent of the Subscription Agreement have been fulfilled or waived. Furthermore announcement(s) will be made to inform 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.**

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 announcements dated 17 March 2009 and 23 March 2009 issued by the Board with regards to, among other things, the Group Reorganisation, the Creditor Scheme, the Subscription Agreement and the Whitewash Waiver. Unless otherwise stated, terms defined in the Joint Announcements have the same meanings when used in this announcement.

## **THE SECOND AMENDMENT DEED**

The Board is pleased to announce that on 28 April 2009, as a result of the further discussions between the Company and the Subscriber and having taken into consideration the advices from the Company’s creditors, the Company and the Subscriber entered into a second amendment deed (the “Second Amendment Deed”) for the purposes of increasing the Share Consideration under the Subscription Agreement and effecting certain amendments to the terms of the Subscription Agreement. The principal terms of the Second Amendment Deed are summarised as follows:–

### **Change of Escrow Agent**

Pursuant to the Second Amendment Deed, the Company and the Subscriber have agreed that the Escrow Agent shall be changed from the Subscriber’s solicitors to the solicitors acting for certain bank creditors of the Company (or such other agent as appointed by the Company and the Subscriber jointly) (the “New Escrow Agent”) effective upon execution (the “Appointment Date”) of an escrow agreement between the Company, the Subscriber and the New Escrow Agent on terms to the reasonable satisfaction of each of the Company and the Subscriber and the New Escrow Agent such that the New Escrow Agent shall hold, inter alia, the Deposit in accordance with the terms of the Subscription Agreement as amended (unless otherwise agreed in writing by the Company, the Subscriber and the New Escrow Agent).

### **Increase of Share Consideration**

Pursuant to the Second Amendment Deed, the Share Consideration has been increased from HK\$80,000,000 to HK\$83,500,000, out of which HK\$73,500,000 shall be made available to the Administrators Vehicle towards settlement and discharge of the Scheme Indebtedness pursuant to the terms of the Creditor Scheme.

In addition, the Company and the Subscriber shall give joint written instructions to and procure the Subscriber’s solicitors to deliver to the New Escrow Agent the Deposit together with all interests accrued up to the date immediately preceding the Appointment Date and the Subscriber shall also deliver to the New Escrow Agent a banker’s draft or cashier order in the sum of HK\$6,350,000 as further deposit (the “Further Deposit”) drawn in favour of the New Escrow Agent. The Deposit and the Further Deposit shall be held by the New Escrow Agent in accordance with the terms of the Subscription Agreement as amended (unless otherwise agreed in writing by the Company, the Subscriber and the New Escrow Agent). The Deposit and the Further

Deposit (together with any interest accrued on them) are fully refundable to the Subscriber unless Completion does not take place due to default of the Subscriber. Moreover, the Company shall pay a sum equal to the Further Deposit to the Subscriber (in addition to the refund of the Deposit and the Further Deposit) as liquidated damages if all conditions precedent of the Subscription Agreement as amended have been satisfied but Completion does not take place due to the default of the Company.

### **Definition for Retained Subsidiaries**

As disclosed in the Joint Announcements, the Retained Subsidiaries were defined as subsidiaries of Ngai Lik BVI as per the Subscription Agreement (which were listed in Part 2 of Schedule 1 of the Subscription Agreement) including Ngai Lik Electronics Trading Limited, Ngai Lik Enterprises Limited, Ecotec Electronics Company Limited, Ngai Lik Digital Technology Limited, Din Wai Electronics Limited, Eurobest Limited, Shing Wai Limited, Ngai Wai Plastic Manufacturing Limited, Lik Way Chemical Limited, Shing Wai Company Limited, Ngai Lik Industrial Limited, Kin Ngai Industrial Limited and Din Wai Digital Limited.

Pursuant to the Second Amendment Deed, the definition for Retained Subsidiaries in the Subscription Agreement has been amended to the effect that the Retained Subsidiaries mean subsidiaries of Ngai Lik BVI as listed in Part 2 of Schedule 1 of the Subscription Agreement (subject to (i) exclusion of such subsidiaries of Ngai Lik BVI and their respective undertakings whose principal businesses mainly comprise manufacturing activities provided that no such subsidiaries and their respective undertakings shall be excluded if the exclusion of which will result in or be likely to result in any of the conditions precedent of the Subscription Agreement being unfulfilled or incapable of being fulfilled, and (ii) such other amendments and variations, whether in respect of their composition, principal businesses, properties, assets, accounting, financial and legal aspects or otherwise, in each case of (i) or (ii) as may be agreed by the Company and the Subscriber in writing from time to time).

In addition, pursuant to the Second Amendment Deed, the subsidiaries of Ngai Lik BVI as listed in Part 2 of Schedule 1 of the Subscription Agreement are amended such that they no longer include Din Wai Electronics Limited and Kin Ngai Industrial Ltd. Accordingly, the subsidiaries as listed in Part 2 of Schedule 1 of the Subscription Agreement have become Ngai Lik Electronics Trading Limited, Ngai Lik Enterprises Limited, Ecotec Electronics Company Limited, Ngai Lik Digital Technology Limited, Eurobest Limited, Shing Wai Limited, Ngai Wai Plastic Manufacturing Limited, Lik Way Chemical Limited, Shing Wai Company Limited, Ngai Lik Industrial Limited and Din Wai Digital Limited.

## **Termination**

Pursuant to the Second Amendment Deed, without prejudice to the Company's general obligation to use reasonable endeavours to satisfy the conditions precedents of the Subscription Agreement (in so far as the Company is legally capable of doing so), if (i) the Resolution(s) are not passed at the SGM by way of poll by the Shareholders (other than Shareholders abstaining from voting as may be so required by law, the Listing Rules or the Takeovers Code or by the Stock Exchange and/or the SFC (as the case may be)) and (ii) the Resolution(s) not so passed are not waived by the Subscriber within seven Business Days from the date of the SGM to the extent permissible under the Subscription Agreement, then the Subscription Agreement as amended shall be deemed to have been terminated in accordance with such agreement.

## **Exclusivity Period**

Pursuant to the Second Amendment Deed, the Company undertakes in favour of the Subscriber that for the period commencing from the Appointment Date and expiring on the earlier of termination of the Subscription Agreement or the Longstop Date (the "Exclusivity Period"), the Company shall not (and shall procure its directors not to) solicit, initiate or encourage, or take any other action to facilitate, entertain or respond to any inquiries or proposals, participate in any discussions or negotiations regarding any sale or issue of shares, merger, share exchange, consolidation, reorganisation, schemes of arrangements, sale of assets or any similar transactions or actions involving the Group that would result in any person (other than the Subscriber or its connected persons or parties acting in concert with it) directly or indirectly, acquires or would acquire any shares of any member of the Group or interests in them or disposal or divestment of any interests of and in any member of the Group and their respective assets or undertakings to any other parties any of their assets or undertakings or enter into any agreement regarding the above or frustrating any possible general offer by the Subscriber made under the Takeovers Code, other than those conducted in the ordinary course of business of the Group or for the implementation of the transactions contemplated under the Subscription Agreement or expressly provided otherwise in the Subscription Agreement or (in each case) incidental thereto.

Other than the amendments disclosed in the joint announcement issued by the Board and the board of the Subscriber dated 11 March 2009 and as set out in the Second Amendment Deed, all other terms of the Subscription Agreement shall remain unchanged and continue to be in force and effect in all respects. For the avoidance of doubt, the Whitewash Waiver is not affected by the Second Amendment Deed. In the event that the resolution(s) to approve the Whitewash Waiver is/are not passed at the EGM and the Subscriber elects to proceed with the Subscription in the absence of the Whitewash Waiver, the Subscriber will comply with all the relevant requirements under the Takeovers Code, including but not limited to, the making of a general offer (subject to, amongst other things, the financial adviser to the Subscriber being satisfied that the Subscriber has sufficient financial resources to satisfy full acceptance of the general offer). As at the date of this announcement, the Subscriber has not yet determined whether or not to proceed with the Subscription in the absence of the Whitewash Waiver.

The Subscriber has confirmed that save for the entering into of the Subscription Agreement, none of the members of the Concert Group has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into the Shares since the joint announcement dated 24 February 2009 and up to the date of this announcement.

As at the date of this announcement, none of the conditions precedent of the Subscription Agreement have been fulfilled or waived. Furthermore announcement(s) will be made to inform 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.**

Hong Kong, 28 April 2009

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

By order of the board of directors of  
**Success Pioneer Limited**  
**Lau Ching Kei**  
*Director*

\* *For identification purposes 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.*

*As at the date of this announcement, there are three directors of Success Pioneer namely Mr. Yeung Kwai Tong, Mr. Lau Ching Kei and Mr. Tam Norman Hok Cheong.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than information relating to the Concert Group) 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.*

*The directors of Success Pioneer jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than opinions expressed by the Group) 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.*