

**NGAI LIK INDUSTRIAL HOLDINGS LTD:
STAND BY FOR MORE BAD NEWS !**

As with many industrialists of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), Ngai Lik Industrial Holdings Ltd () (Code: 332, Main Board, The Stock Exchange of Hongkong Ltd) is having a difficult time of it.

For the 2008 Financial Year, ended March 31, 2008, this manufacturer of electronic products and property investor suffered a Loss Attributable to Shareholders of about \$HK136.55 million on a Turnover of about \$HK3.09 billion.

It was the first recorded Loss Attributable to Shareholders since at least April 1, 2004.

The stage appears to be set, too, that this company will suffer an even greater Loss Attributable to Shareholders in respect of the Current Financial Year.

The 2008 Annual Report of Ngai Lik Industrial states, at Page 14, that, as at March 31, 2008, the company employed 12,200 workers.

This is a reduction of about 12,100 workers, equivalent to a culling of about 50 percent, compared with the number of employees on the payroll in respect of the 2007 Financial Year.

Ngai Lik Industrial had to pay about \$HK18 million in redundancy payments in the last Financial Year for the workers that were culled.

The US is the company's largest single market, accounting, today, for about 66 percent of the Turnover (2007: About 79 percent of Turnover).

The Total bank borrowings and obligations under finance leases of Ngai Lik Industrial, as at March 31, 2008, stood at about \$HK846.83 million (2007: \$HK714.23 million).

That is an increase, Year-On-Year, of about 19 percent.

Financing costs absorbed about \$HK46.10 million in the 2008-Year, up from about \$HK37.19 million in the 2007-Year.

On July 4, 2008, Ngai Lik Industrial informed its shareholders that a subsidiary of the company, namely Dongguan Fenggang Ngai Lik Electronics Company Ltd () had come into an agreement with Yang Jiang Yuan Tai Investments Ltd () for the sale of certain properties at Dongguan, the People's Republic of China (PRC).

The total consideration was about \$HK238.65 million, but the sales will result in the company, taking a hit of about \$HK90 million.

The use of the net proceeds from the sales, amounting to about \$HK230 million, will be used *'to repay certain bank borrowings and to release the related mortgage on the Buildings and for general working capital of the Group. However, the Group has not yet determined the exact allocation of the net sale*

proceeds from the Disposal'.

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