
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your Shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, together with the other documents specified in the paragraph headed "Documents delivered to the Registrars of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong and the SFC take no responsibility as to the contents of any of these documents.

A copy of each of the Prospectus Documents has been filed with the Registrar of Companies in Bermuda as required by Section 26 of the Companies Act. The Registrar of Companies in Bermuda takes no responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.



NGAI LIK INDUSTRIAL HOLDINGS LIMITED

(**毅力工業集團有限公司**)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

OPEN OFFER OF 226,576,190 OFFER SHARES ON THE BASIS OF TWO OFFER SHARES FOR EVERY SEVEN SHARES HELD ON RECORD DATE

The Latest Time for Acceptance and payment for the Offer Shares is 4:00 p.m. on Wednesday, 14 March 2012 or such other time as may be agreed between the Company and the Underwriter. The procedures for application of and payment for the Offer Shares are set out on pages 15 to 17 of this Prospectus.

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out under the paragraph headed "Conditions of the Open Offer and the Underwriting Agreement" in this Prospectus. If the Underwriter terminates the Underwriting Agreement or if the conditions to the Underwriting Agreement have not been fulfilled as set out in the paragraphs headed "Conditions of the Open Offer and the Underwriting Agreement" and "Termination of the Underwriting Agreement" on pages 12 to 13 of this Prospectus, the Open Offer will not proceed. Shareholders should therefore exercise caution when dealing in the Shares, and if they are in any doubt about their position, they are recommended to consult their professional adviser.

Shareholders should note that the Shares have been dealt with on an ex-entitlement basis commencing from Friday, 17 February 2012 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares on ex-entitlement basis will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or other person contemplating dealings in the Shares is recommended to consult their professional adviser.

* *for identification purpose only*

29 February 2012

CONTENTS

	<i>Page</i>
1. Definitions	1
2. Expected Timetable	5
3. Termination of the Underwriting Agreement	6
4. Letter from the Board	7
5. Appendix I — Financial Information of the Group	19
6. Appendix II — Unaudited Pro Forma Financial Information of the Group	21
7. Appendix III — General Information	25

DEFINITIONS

In this Prospectus, the following expressions shall have the meanings set out below unless the context otherwise requires.

“Announcement”	the announcement of the Company dated 18 January 2012 in relation to the Open Offer
“Application Form”	the application form for use by the Qualifying Shareholders to apply for their entitlements of the Offer Shares under the Open Offer
“Board”	the board of Directors of the Company or a duly authorised committee thereof
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	The Companies Act 1981 of Bermuda
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Ngai Lik Industrial Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Concert Parties”	the Underwriter and parties acting in concert (as defined under the Takeovers Code) with it, including Mr. Wang Jianqing, Mr. Pan Junfeng, Mr. Gao Xiong, Mr. Zhou Jiawei, Jinlong International Holdings Limited, and Asia Debt Management Hong Kong Limited
“Conditions Precedent”	the conditions precedent set out in the paragraph headed “Conditions of the Open Offer and the Underwriting Agreement” of this Prospectus
“Directors”	directors of the Company
“EAF”	the excess application form for use by the Qualifying Shareholders who wish to apply for Offer Shares in excess of their entitlements under the Open Offer
“EMS”	the business of the Group in design, manufacture and sale of electronic and electrical products

DEFINITIONS

“Excluded Shareholders”	the Overseas Shareholders whom the Directors, having made enquiry regarding the legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Interim Report”	the unaudited consolidated financial results of the Company for the six months ended 30 September 2011
“Last Trading Day”	18 January 2012, being the last trading day of the Shares on the Stock Exchange prior to the issue of the Announcement
“Latest Practicable Date”	24 February 2012, being the latest practicable date for ascertaining certain information for inclusion in this Prospectus prior to its publication
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 14 March 2012 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of Offer Shares
“Latest Time for Termination”	at 4:00 p.m. on the Business Day immediately following the Latest Time for Acceptance, which is expected to be Thursday, 15 March 2012 for the Underwriter to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement dated 24 June 2011 entered into between the Company and the Underwriter, the holding company of the Company
“Offer Shares”	226,576,190 new Shares to be issued by the Company pursuant to the Open Offer

DEFINITIONS

“Open Offer”	the issue by way of an open offer, subject to the fulfilment of the Conditions Precedent, a total of 226,576,190 Offer Shares for subscription by the Qualifying Shareholders on the basis of two Offer Shares for every seven existing Shares held on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholders”	the Shareholders with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong
“Pacific Rise”	Pacific Rise Holdings Limited (formerly known as Top Novel Limited)
“Pacific Rise Group”	Pacific Rise and its subsidiaries
“PRC”	the People’s Republic of China, which, for the purpose of this Prospectus only, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Prospectus”	this prospectus in relation to the Open Offer
“Prospectus Date”	Wednesday, 29 February 2012, or such later date as the Company may notify the Underwriter in writing, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders
“Prospectus Documents”	collectively, this Prospectus, the Application Form and the EAF
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	the date by reference to which entitlements to the Open Offer will be determined being Friday, 24 February 2012
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.441 per Offer Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Frontier Global Group Limited, being the controlling shareholder of the Company and holds approximately 56.50% of the issued share capital of the Company as at the Latest Practicable Date
“Underwriting Agreement”	the underwriting agreement dated 18 January 2012 entered into between the Company and the Underwriter in relation to the Open Offer

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments.

All times and dates in this Prospectus refer to Hong Kong times and dates.

EXPECTED TIMETABLE

The expected timetable for the Open Offer is set out below. Dates and deadlines specified below are indicative only and may be varied by agreement between the Company and the Underwriter to the extent permissible under the terms of the Underwriting Agreement and by applicable laws and regulations. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

2012

Despatch of the Prospectus Documents	Wednesday, 29 February
Latest Time for Acceptance and payment for the Offer Shares and the excess Offer Shares (<i>Note</i>)	4:00 p.m. on Wednesday, 14 March
Latest Time for Termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Thursday, 15 March
Announcement of the results of the Open Offer	Monday, 19 March
Despatch of share certificates for Offer Shares	Tuesday, 20 March
Despatch of refund cheques	Tuesday, 20 March
Expected first day of dealings in Offer Shares	Thursday, 22 March

Note:

Effect of bad weather on the Latest Time for Acceptance of and payment for the Offer Shares and the excess Offer Shares

The Latest Time for Acceptance of and payment for the Offer Shares and the excess Offer Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a 'black' rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the Latest Time for Acceptance of and payment for the Offer Shares and the excess Offer Shares will be extended to 5:00 p.m. on the same Business Day;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead the Latest Time for Acceptance of and payment for the Offer Shares and the excess Offer Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest time for Acceptance of and payment for the Offer Shares and the excess Offer Shares does not take place at the Latest Time for Acceptance, the dates mentioned in the expected timetable may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

If, at or prior to the Latest Time for Termination, the Company commits any material breach or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position, the Underwriter shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, or if the conditions of the Underwriting Agreement are not fulfilled in accordance with the terms thereof, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter or the Open Offer will not proceed.



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 332)

Executive Directors:

Mr. Wang Jianqing (*Chairman and
Chief Executive Officer*)
Mr. Pan Junfeng

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Dr. Leung Hoi Ming
Mr. Wong Chi Keung
Mr. Tom Xie
Mr. Lo Wai Hung

Principal Place of Business and

Head Office in Hong Kong:
Unit D, 12/F., Seabright Plaza
9–23 Shell Street, North Point
Hong Kong

29 February 2012

To the Qualifying Shareholders,

Dear Sir or Madam,

**OPEN OFFER OF 226,576,190 OFFER SHARES
ON THE BASIS OF TWO OFFER SHARES FOR EVERY SEVEN SHARES
HELD ON RECORD DATE**

INTRODUCTION

As set out in the Announcement, the Company proposes to make the Open Offer, subject to the fulfilment of the Conditions Precedent, of a total of 226,576,190 Offer Shares for subscription by the Qualifying Shareholders on the basis of two Offer Shares for every seven existing Shares held on the Record Date at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

* *for identification purpose only*

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with further information in relation to the Open Offer, including procedures for application and payment and certain financial information and other information in respect of the Company.

OPEN OFFER

On Wednesday, 18 January 2012, after trading hours, the Company entered into the Underwriting Agreement with the Underwriter in respect of the Open Offer and details of the Open Offer are set out below:

Principal Terms of the Open Offer

Basis of the Open Offer:	Two Offer Shares for every seven existing Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date:	793,016,668 Shares
Number of Offer Shares:	226,576,190 Offer Shares
Subscription Price:	HK\$0.441 per Offer Share
Amount to be raised:	Approximately HK\$99.9 million before costs and expenses
Number of Offer Shares undertaken to be subscribed by the Underwriter:	128,020,884 Offer Shares
Number of Offer Shares underwritten by the Underwriter:	98,555,306 Offer Shares

The Underwriter intends to apply for part or all the Offer Shares in excess of its entitlements under the Open Offer notwithstanding it has agreed to underwrite such Offer Shares.

As at the Latest Practicable Date, the Company had no outstanding Options or other securities convertible into or exchangeable for Shares.

The Subscription Price

The Subscription Price for the Offer Share is HK\$0.441 per Offer Share payable in cash and in full upon application by a Qualifying Shareholder. The Subscription Price of HK\$0.441 per Offer Share represents:

- (a) a discount of approximately 8.13% to the closing price of HK\$0.48 per Share as quoted on the Stock Exchange on the Last Trading Day;

LETTER FROM THE BOARD

- (b) a discount of approximately 11.8% to the average closing price of HK\$0.5 per Share for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a discount of approximately 12.85% to the average closing price of HK\$0.506 per Share for the last ten consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 6.37% to the theoretical ex-entitlement price of HK\$0.471 per Share calculated based on the closing price as quoted on the Stock Exchange on the Last Trading Day;
- (e) a premium of approximately 0.23% over the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a premium of approximately HK\$0.4476 over the unaudited consolidated net liabilities per Share of approximately HK\$0.0066 as at 30 September 2011 (based on the unaudited consolidated net liabilities of the Group of approximately HK\$5.2 million as at 30 September 2011 over 793,016,668 Shares in issue as at the Latest Practicable Date).

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market price of the Shares under prevailing market conditions. Each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his shareholding in the Company on the Record Date and is also entitled to apply for excess Offer Shares in addition to his/her/its entitlements under the Open Offer. The Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of allotment

The basis of allotment shall be two Offer Shares for every seven existing Shares held on the Record Date.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, shall rank pari passu in all respects with the then existing Shares in issue on the date of allotment of the Offer Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

LETTER FROM THE BOARD

Fractions of the Offer Shares

The Company will not offer fractions of Offer Shares to the Qualifying Shareholders. However, the Offer Shares arising from the aggregation of fractional entitlements will be first made available for excess applications by the Qualifying Shareholders who wish to apply for a number of Offer Shares which exceeds their entitlements under the Open Offer. The balance (if any) will be underwritten by the Underwriter.

Share Certificates and Refund Cheques for the Offer Shares

Subject to the fulfilment of the Conditions Precedent as set out in the paragraph headed “Conditions of the Open Offer and the Underwriting Agreement” in this Prospectus below, share certificates for all fully-paid Offer Shares are expected to be posted by ordinary mail to Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by Tuesday, 20 March 2012 at their own risk. Refund cheques in respect of wholly or partially unsuccessful applications for excess Offer Shares (if any) are expected to be posted by ordinary mail on or before Tuesday, 20 March 2012.

Applicant(s) will receive one share certificate for all the Offer Shares issued to him/her/it.

Qualifying Shareholders and Excluded Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must have been registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as a member at the close of business on the Record Date, all transfers accompanied by the relevant share certificates must have been lodged with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 February 2012.

According to the register of members of the Company as at the Record Date, there was no Shareholder whose address as shown on the register of members of the Company was in a place outside of Hong Kong.

LETTER FROM THE BOARD

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date:	Wednesday, 18 January 2012 (after trading hours)
Issuer:	The Company
Underwriter:	Frontier Global Group Limited
Number of underwritten Offer Shares	All Offer Shares, other than those undertaken to be subscribed by the Underwriter
Underwriting fee:	No underwriting fee

As at the Latest Practicable Date, the Underwriter was beneficially interested in 448,073,096 Shares, representing approximately 56.50% of the existing issued share capital of the Company. The Underwriter is an investment holding company and its ordinary course of business does not carry out any underwriting activities.

Pursuant to the Underwriting Agreement, the Underwriter has irrevocably undertaken to the Company that:

- (a) it will accept and subscribe for all the Offer Shares it will be entitled under the Open Offer, being 128,020,884 Offer Shares;
- (b) it will not transfer or otherwise dispose of any Shares held by it from the date of the Underwriting Agreement before the Open Offer is completed or terminated, whichever is earlier; and
- (c) it will, and will procure its Concert Parties not to dispose any of their respective interests, directly or indirectly in the 448,073,096 Shares held by the Underwriter before the Open Offer is completed or terminated, whichever is earlier.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to underwrite and subscribe for any Offer Shares which are not taken up by the Qualifying Shareholders pursuant to their assured entitlements under the Open Offer and not validly applied for by excess applications.

No underwriting fee shall be payable to the Underwriter of its underwriting obligations and taking up of the Offer Shares which have not been taken up by the Qualifying Shareholders and not taken by excess application. The Company considers that no underwriting fee charged by the Underwriter is beneficial to the Company and allows the Company to reduce significantly the costs and expenses in conducting the Open Offer if a registered brokerage firm or an investment bank is appointed as the underwriter.

As at the Latest Practicable Date, the Board had not received any information from any substantial Shareholders, other than the Underwriter, of their intention to take up their entitlements under the Open Offer.

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

If, at or prior to the Latest Time for Termination, the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position, the Underwriter shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, or if the conditions of the Underwriting Agreement are not fulfilled in accordance with the terms thereof, the Open Offer will not proceed. A further announcement will be made if the Underwriting Agreement is terminated by the Underwriter or the Open Offer will not proceed.

Conditions of the Open Offer and the Underwriting Agreement

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following Conditions Precedent being fulfilled:

- (a) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively of one copy of each of the Prospectus Documents (and all other documents required to be attached thereto) duly signed by two Directors as confirmation of their having been approved by resolution of the Directors not later than the Prospectus Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
- (b) if necessary, the filing with the Registrar of Companies in Bermuda of the Prospectus Documents in compliance with the Companies Act;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and for information purpose only, this Prospectus to the Excluded Shareholders;
- (d) if necessary, the Bermuda Monetary Authority granting consent to the issue of the Offer Shares;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Offer Shares either unconditionally or subject to conditions which the Company accepts and the satisfaction of such conditions (if any);
- (f) if required, the endorsement, sanction, consent or approval of all other relevant judicial government or regulatory authorities in relation to the Underwriting Agreement having been obtained and not having been revoked; and
- (g) the obligations of the Underwriter not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement.

LETTER FROM THE BOARD

If any of the Conditions Precedents is not fulfilled on or before the Latest Time for Termination (or such later date as the Company and the Underwriter may agree in writing), the Underwriting Agreement shall terminate and save for any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination, no party shall have any claim against the other party for costs, damages, compensation or otherwise.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

REASONS FOR THE OPEN OFFER AND THE USE OF PROCEEDS

The Group is principally engaged in the oil trading and the design, manufacture and sale of electronic products.

The Board noted that as at 30 September 2011 (the date of the Interim Report), the Group was in a net liabilities position with both its current and total liabilities exceeded its current and total assets. In this regard, the Board has been continuously looking for suitable ways to improve the financial position and the general working capital position of the Group, while taking into consideration the interests of the Shareholders and to provide them opportunities to participate in the future development of the Group.

Further, as disclosed in the Interim Report, the Group has, since April 2011, diversified into oil trading business by leveraging on its Directors' and senior management team's experience and network. In general, the Group obtains orders from customers (mostly in China) for supply of oil and sources the same from national state-owned oil companies, oil majors and/or other trading companies from overseas and thereafter entered into buy or sell side agreement of oil product on a shipment-by-shipment basis. Such trading operations of the Group were entered into and structured on a back-to-back basis, where each agreement entered into with the customer is supported by a corresponding agreement with its supplier. Thus, no inventory is maintained. Subject to the agreed terms of shipping arrangement, the Group may also arrange for value add services, such as freight, logistics, financing, storage facilities and other related activities. The settlement of such back-to-back contract sum can generally be carried out either through direct cash payment or trade facilities from financial institutions, whilst other value add services would require settlement on a cash basis. As reported in the Interim Report, the oil trading business have contributed to a turnover of approximately HK\$434.5 million for the six months period ended 30 September 2011. This oil trading business which the Group is engaged in can generally be classified as "high value low frequency", and in order to facilitate this type of oil trading business, the Group would require to maintain a sufficient cash level (or other readily available funds or financial resources) for meeting the demands and obligations of the Group under the respective trading contracts, as well as to allow the Group in expanding its scope in the trading activities.

The Board believes that, taking into account the volatile financial market conditions, it would be in the interest of the Company and the Shareholders to raise additional capital by way of the Open Offer to improve the general working capital position and address the net liabilities position of the Group. The improved working capital position after completion of the Open Offer is also expected to facilitate the Group's operations, including but not limited to the trading of oil, liquefied natural gas and other chemical products with greater

LETTER FROM THE BOARD

flexibility in procuring funding from financial institutions. The Open Offer will further allow the Company to increase its capital base and offer the Qualifying Shareholders an equal opportunity to participate in the long-term development of the Company and to maintain their proportionate interests in the Company. Thus, the Directors consider that the Open Offer is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The estimated gross proceeds from the Open Offer will be approximately HK\$99.9 million and the net proceeds will be approximately HK\$98.8 million (after deducting the costs and expenses in relation to the Open Offer which is estimated to be around HK\$1.1 million). The Board intends to apply the proceeds from the Open Offer as general working capital for the Group.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company did not conduct any fund raising exercise during the past 12 months immediately preceding the Latest Practicable Date.

APPLICATION FOR LISTING

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty in Hong Kong, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LISTING RULES IMPLICATIONS

The entering into of the Underwriting Agreement between the Company and the Underwriter is a connected transaction under the Listing Rules. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, provided that Rule 7.26A(2) of the Listing Rules has been complied with, the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders' approval requirements. As the Company has made arrangements to apply for Offer Shares by Qualifying Shareholders in excess of their entitlements under the Open Offer as referred to in Rule 7.26A(1) of the Hong Kong Listing Rules, Rule 7.26A(2) of the Listing Rules has been complied with and the Underwriting Agreement will be exempted from the reporting, announcement and independent shareholders' approval requirements.

The Open Offer is not subject to Shareholders' approval.

LETTER FROM THE BOARD

CHANGES IN SHAREHOLDING STRUCTURE

Assuming that (a) the Open Offer proceeds and is completed; (b) the assured allotment of the Shares to the Underwriter under the Open Offer is applied for in full; and (c) there is no change in the shareholding structure of the Company from the Latest Practicable Date to the date immediately before completion of the Open Offer, set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Open Offer for illustration purpose only:

	As at the Latest Practicable Date		Immediately after completion of the Open Offer assuming all Qualifying Shareholders take up their respective entitlements under the Open Offer		Immediately after completion of the Open Offer assuming no Qualifying Shareholders, except the Underwriter, take up their respective entitlements under the Open Offer and no Qualifying Shareholder apply for any excess Offer Shares	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Underwriter	<u>448,073,096</u>	<u>56.5</u>	<u>576,093,980</u>	<u>56.5</u>	<u>674,649,286</u>	<u>66.2</u>
Public Shareholders	<u>344,943,572</u>	<u>43.5</u>	<u>443,498,878</u>	<u>43.5</u>	<u>344,943,572</u>	<u>33.8</u>
Total	<u><u>793,016,668</u></u>	<u><u>100.00</u></u>	<u><u>1,019,592,858</u></u>	<u><u>100.00</u></u>	<u><u>1,019,592,858</u></u>	<u><u>100.00</u></u>

PROCEDURES FOR APPLICATION AND PAYMENT

Application for the Offer Shares

The Application Form is enclosed with this Prospectus which entitles the Qualifying Shareholders to whom it is addressed to apply for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may apply for any number of Offer Shares assured only up to the number set out in the Application Form.

If the Qualifying Shareholders wish to apply for all the Offer Shares offered to them as specified in the Application Form or wish to apply for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have applied with the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on 14 March 2012. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "NGAI LIK INDUSTRIAL HOLDINGS LIMITED — OPEN OFFER ACCOUNT" and crossed "Account Payee Only".

LETTER FROM THE BOARD

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with and received by the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, by 4:00 p.m. on 14 March 2012, the assured entitlement under the Open Offer and all rights in relation thereto shall be deemed to have been declined and will be cancelled.

Application for excess Offer Shares

The Offer Shares to which the Excluded Shareholders would otherwise have been entitled, any assured allotments of Offer Shares which have not been accepted by Qualifying Shareholders, and Offer Shares created by aggregation of fractional Offer Shares, will be available for excess application by the Qualifying Shareholders. Qualifying Shareholders will have the right to apply for any Offer Shares in excess of their own assured allotments under the Application Forms but are not assured of being allocated any Offer Shares in excess of those in their assured allotments. The Directors will allocate the excess Offer Shares at their absolute discretion on a fair and equitable basis on the following principles:

- (a) preference will be given to topping up odd lots to whole board lots where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (b) subject to availability of excess Offer Shares after allocation under principle (a) above, the excess Offer Shares will be allocated to Qualifying Shareholders, who have applied for excess Offer Shares, on a pro-rata basis based on the number of the excess Offer Shares applied by them, with allocations to be made in full board lots where practicable.

The above principles for allocation of excess Offer Shares shall be made with reference to the board lot size of 4,000 Shares per board lot.

Application for excess Offer Shares should be made by completing the EAF enclosed with this Prospectus and lodging the same in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of excess Offer Shares they have applied with the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on 14 March 2012. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, or banker's cashier orders must be issued by, a licensed bank in Hong Kong and made payable to "NGAI LIK INDUSTRIAL HOLDINGS LIMITED — EXCESS APPLICATION ACCOUNT" and crossed "Account Payee Only". The Company's Hong Kong Branch Share Registrar will notify the Qualifying Shareholders of any allotment of the excess Offer Shares made to them.

It should be noted that unless the duly completed and signed EAF, together with the appropriate remittance, have been lodged with and received by the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, by 4:00 p.m. on 14 March 2012, the EAF is liable to be rejected.

LETTER FROM THE BOARD

Qualifying Shareholders should note that the number of excess Offer Shares which may be allocated to them may be different where they make applications for excess Offers Shares by different means, such as making applications in their own names as against through nominees who also hold Shares for other Shareholders or investors. Qualifying Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owners prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

General

All cheques or cashier orders will be presented for payment immediately following receipt and all interest earned on such application monies will be retained for the benefit of the Company. Any Application Form or EAF in respect of which the cheque or cashier order is dishonoured on first presentation is liable to be rejected, and in that event the relevant entitlements of the Qualifying Shareholders or the application for excess Offer Shares (as the case may be) under the Open Offer will be deemed to have been declined and will be cancelled.

The Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of applying for, holding, disposing of or dealing in the Offer Shares. None of the Company, the Directors or any other parties involved in the Open Offer accepts responsibility of any tax effects or liabilities of holders of the Offer Shares resulting from the application for, holding, disposal of, or dealing in the Offer Shares.

Both the Application Forms and the EAFs are for the use by the persons named therein only and are not transferable. No receipt will be issued in respect of any application monies received.

WARNING OF THE RISK OF DEALING IN THE SHARES

The Open Offer is conditional upon, inter alia, the fulfillment of the conditions set out under the paragraph headed “Conditions of the Open Offer and the Underwriting Agreement” in this Prospectus. If the Underwriter terminates the Underwriting Agreement or if the conditions to the Underwriting Agreement have not been fulfilled as set out in the paragraphs headed “Conditions of the Open Offer and the Underwriting Agreement” and “Termination of the Underwriting Agreement” on pages 12 to 13 of this Prospectus, the Open Offer will not proceed. Shareholders should therefore exercise caution when dealing in the Shares, and if they are in any doubt about their position, they are recommended to consult their professional adviser.

LETTER FROM THE BOARD

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Friday, 17 February 2012 and that dealings in the Shares may take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares on ex-entitlement basis will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or other person contemplating dealings in the Shares are recommended to consult their professional adviser.

ADDITIONAL INFORMATION

Your attention is drawn to the information contained in Appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
Ngai Lik Industrial Holdings Limited
Wang Jianqing
Chairman and Chief Executive Officer

1. THREE-YEAR FINANCIAL INFORMATION

Financial information of the Group for each of the three financial years ended 31 March 2009, 2010 and 2011 were disclosed in the annual reports of the Company for the years ended 31 March 2009, (pages 40 to 118), 2010 (pages 30 to 118) and 2011 (pages 26 to 102) respectively, which were published on both the websites of the Stock Exchange (www.hkex.com.hk)* and the website of the Company (www.ngailik.hk)*. The auditor of the Company has not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2009, 2010 and 2011.

2. UNAUDITED INTERIM RESULTS

The unaudited consolidated financial statements of the Company for the six months ended 30 September 2011 together with the relevant notes to the accounts were disclosed in the Interim Report for the six months ended 30 September 2011 (pages 1 to 19), which were published on both the websites of the Stock Exchange (www.hkex.com.hk)* and the website of the Company (www.ngailik.hk)*.

3. INDEBTEDNESS

At the close of business on 31 January 2012, being the latest practicable date for the purpose of ascertaining certain information relating to this indebtedness statement prior to the printing of this Prospectus, the Group had amounts due to related parties of approximately HK\$19,143,000, in which all are unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 January 2012 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the cash flows used in the operating activities, the existing banking facilities available and the estimated net proceeds from the Open Offer, the Group has sufficient working capital for its present requirements and for the period up to twelve months from the date of this Prospectus in the absence of unforeseen circumstances.

* *Information contained in the websites of the Stock Exchange and the Company does not form part of this Prospectus.*

5. MATERIAL ADVERSE CHANGE

On 29 September 2011, the board of the directors of Pacific Rise, a direct wholly-owned subsidiary of the Company, resolved to recommend shareholder to voluntarily wind up Pacific Rise. Upon commencement of the winding-up, Pacific Rise had ceased to be a subsidiary of the Company and the financial results and position of the Pacific Rise Group were deconsolidated from that of the Group. As a result of which, the Group recorded a gain of approximately HK\$159 million for the six months period ended 30 September 2011, arose from the deconsolidation of the loss making Pacific Rise Group. The Group has since ceased carrying out the EMS business and operation under the Pacific Rise Group and that the Group will focus on the remaining EMS business and the oil trading business.

As at the Latest Practicable Date, save as disclosed above, which has been disclosed in the Interim Report, the Directors confirm that there is no material adverse change in the financial or trading position or outlook of the Group since 31 March 2011, being the date to which the latest published audited financial statements of the Group were made up.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group recorded a gain of approximately HK\$127 million for the six months period ended 30 September 2011, mainly attributable to an approximately HK\$159 million gain arising from the deconsolidation of a loss making subsidiary, Pacific Rise, upon its voluntary winding-up on 29 September 2011. With the cessation of the loss-making product lines and the downsized operations, the division managed to achieve gross profit of approximately HK\$0.7 million for the six months period ended 30 September 2011, as compared to gross loss of approximately HK\$8.7 million in the prior period.

In April 2011, the Group established a new oil trading division engaging in the trading of coal, oil and chemical products and provision of consultancy services. The oil trading business having contributed a turnover of approximately HK\$434.5 million for the six months period ended 30 September 2011, is expected to continue to help the Group to capture and penetrate new market(s) as well as diversify its business risk.

Going forward, the Group will further leverage on the experience and network of its management and to develop and establish its oil trading platform. The Group will seek to expand its product range and continue to seek and cover trade areas in the Asia Pacific region. The Group, in developing its trading business platform, will also seek and provide more value added services to its customers.

For illustrative purposes only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Open Offer as if it had taken place as at 30 September 2011.

1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

Unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2011 <i>(Note 1)</i> <i>HK\$'000</i>	Estimated net proceeds from the Open Offer <i>(Note 2)</i> <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Open Offer as at 30 September 2011 <i>HK\$'000</i>
<u>(5,200)</u>	<u>98,809</u>	<u>93,609</u>
Unaudited consolidated net tangible liabilities of the Group per Share attributable to owners of the Company as at 30 September 2011 <i>(Note 3)</i>	<u>HK\$(0.01)</u>	
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to owners of the Company upon completion of the Open Offer as at 30 September 2011 <i>(Note 4)</i>		<u>HK\$0.09</u>

Notes:

- The unaudited consolidated net tangible liabilities of the Group attributable to owners of the Company as at 30 September 2011 are extracted from the published Interim Report of the Group as of 30 September 2011.

2. The estimated net proceeds from the Open Offer of approximately HK\$98,809,000 are calculated based on 226,576,190 Offer Shares to be issued at the Subscription Price of HK\$0.441 per Offer Share and after deduction of estimated related expenses of approximately HK\$1,111,000.
3. The unaudited consolidated net tangible liabilities of the Group per Share attributable to owners of the Company is calculated based on 793,016,668 Shares in issue as at 30 September 2011.
4. The unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to owners of the Company upon completion of the Open Offer is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Open Offer and on the basis of 1,019,592,858 Shares issued and issuable, comprising 793,016,668 Shares in issue as at 30 September 2011 and 226,576,190 Offer Shares to be issued.
5. No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2011.

The following is the full text of a report received from the reporting accountant of the Company, Deloitte Touche Tohmatsu, in respect of the unaudited pro forma financial information of the Group for the purpose of incorporation in this Prospectus.

2. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

TO THE DIRECTORS OF NGAI LIK INDUSTRIAL HOLDINGS LIMITED

We report on the unaudited pro forma financial information of Ngai Lik Industrial Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed open offer on the basis of two offer shares for every seven existing shares held, might have affected the financial information presented, for inclusion in Appendix II to the prospectus dated 29 February 2012 (the "Prospectus") issued by the Company. The basis of preparation of the unaudited pro forma financial information is set out on pages 21 to 22 of the Prospectus.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2011, or any future date.

OPINION

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

29 February 2012

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and upon completion of the Open Offer were and will be as follows:

Authorised share capital

HK\$

<u>10,000,000,000</u> Shares	<u>1,000,000,000.00</u>
------------------------------	-------------------------

Issued and fully paid

793,016,668 Shares as at the Latest Practicable Date	79,301,666.80
--	---------------

Proposed to be issued under the Open Offer

<u>226,576,190</u> Offer Shares	<u>22,657,619.00</u>
---------------------------------	----------------------

Upon completion of the Open Offer

<u>1,019,592,858</u> Shares	<u>101,959,285.80</u>
-----------------------------	-----------------------

All Offer Shares to be issued will rank pari passu in all respects with each other, including as to dividends, voting rights and capital, and with all the Shares in issue as at the date of allotment and issue of the Offer Shares.

The Shares in issue are listed on the Stock Exchange. Subject to the grant of listing of and permission to deal in the Offer Shares by the Listing Committee of the Stock Exchange, the Offer Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any securities exchange other than the Stock Exchange and no application is being made or proposed or sought for the Shares, the Offer Shares or any other securities of the Company to be listed or dealt in on any other securities exchange.

No member of the Group the capital of which is under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, the Company had no outstanding derivatives, options, warrants or securities convertible into or exchangeable for Shares.

3. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the Directors and chief executive of the Company had the following interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

(a) Directors' and chief executive's interests in the Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held		Aggregate percentage of interest as at the Latest Practicable Date
		Long position	Short position	
Wang Jianqing	Interest in controlled corporation	674,649,286 (note)	—	66.17%

Note: Mr. Wang Jianqing is deemed interested in the Shares the Underwriter is interested. The Underwriter is wholly owned by Touch Billion Limited, which in turn is held as to 75% by Champion Golden Limited, in which Mr. Wang has 50% of the voting right and Mr. Pan Junfeng, an executive Director has 25% of the voting right. Of the 674,649,286 Shares the Underwriter is interested, the Underwriter beneficially owns as to 448,073,096 Shares and is deemed interested in all the 226,576,190 Offer Shares owing to its underwriting obligations in its capacity as the underwriter of the Open Offer under the Underwriting Agreement. Accordingly, Touch Billion Limited, Champion Golden Limited and Mr. Wang are deemed interested in the Shares the Underwriter is interested and their interests duplicate the interests of each other.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of SFO); or (b) are required, pursuant to Section 352 of the SFO, to be

entered in the register referred to therein; or (c) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

4. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a director or chief executive of the Company) who had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(a) Interests in the Shares

Name of Shareholders	Capacity/ Nature of interest	Number of Shares held		Percentage of total holding
		Long position	Short position	
Underwriter	Beneficial interest	674,649,286 (Note 1)	—	66.17%
Touch Billion Limited	Interest in controlled corporation	674,649,286 (Note 1)	—	66.17%
Champion Golden Limited	Interest in controlled corporation	674,649,286 (Note 1)	—	66.17%
Cheng Xu	Family Interest	674,649,286 (Note 1)	—	66.17%
Jinlong International Holdings Limited	Security interest	674,649,286 (Note 2)	—	66.17%
ADM Galleus Fund I Limited	Security interest	674,649,286 (Note 2)	—	66.17%
ADM Investment Management Limited	Investment manager	674,649,286 (Note 2)	—	66.17%

Note 1: The Underwriter is wholly owned by Touch Billion Limited, which in turn is held as to 75% by Champion Golden Limited, in which Mr. Wang has 50% of the voting right and Mr. Pan Junfeng, an executive Director has 25% of the voting right. Of the 674,649,286

Shares the Underwriter is interested, the Underwriter beneficially owns as to 448,073,096 Shares and is deemed interested in all the 226,576,190 Offer Shares owing to its underwriting obligations in its capacity as the underwriter of the Open Offer under the Underwriting Agreement. Accordingly, Touch Billion Limited, Champion Golden Limited and Mr. Wang are deemed interested in the Shares the Underwriter is interested and their interests duplicate the interests of each other. Cheng Xu is the spouse of Mr. Wang and is deemed interested in the Shares Mr. Wang is interested.

Note 2: Pursuant to the disclosure of interests forms filed, Jinlong International Holdings Limited is held as to 50%, 29% and 21% by ADM Galleus Fund I Limited, Permal ADM Asia Debt Fund Limited and ADM Galleus Fund II Limited respectively, all of these companies are in turn wholly owned by ADM Investment Management Limited in the capacity as investment manager.

Save as disclosed above, the Directors and chief executive of the Company are not aware of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

6. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus and is or may be material:

- (a) the Underwriting Agreement; and
- (b) the Loan Agreement, pursuant to which the Underwriter provided an unsecured and interest-free loan facility of HK\$61 million to the Company which is repayable after two years from its signing date which as at the Latest Practicable Date, a total of HK\$7,750,000 has been drawn by the Company and remain outstanding.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

8. INTERESTS IN ASSETS/CONTRACTS OF THE GROUP

None of the Directors had any interest, either direct or indirect, in any assets which had been, since 31 March 2011 (being the date to which the latest published audited accounts were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the Loan Agreement (please refer to the paragraph headed “Material Contracts” for details of the terms of the Loan Agreement) which Mr. Wang and Mr. Pan were indirectly interested as beneficial owners of the Underwriter in its capacity as the lender, which is wholly owned by Touch Billion Limited, a company 75% owned by Champion Golden Limited (where Mr. Wang and Mr. Pan respectively holds 50% and 25% beneficial interests), none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

9. EXPERT AND CONSENT

The following is the qualification of the expert who had given opinion contained in this Prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and did not have any interest, either direct or indirect, in any assets which had been since 31 March 2011 (being the date to which the latest published audited accounts of the Company were made up) and up to the Latest Practicable Date, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its reports, letters and references to its name in the form and context in which they are included.

10. EXPENSES

The expenses in connection with the Open Offer, including legal and accountants’ fees, registration, translation, printing and other related expenses are estimated to be approximately HK\$1.1 million and will be payable by the Company.

11. DOCUMENTS DELIVERED TO THE REGISTRARS OF COMPANIES

A copy of each of the Prospectus Documents and the consent letter referred to in the paragraph headed “Expert and Consent” in this Appendix have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance. A copy of each of the Prospectus Documents has been filed with the Registrar of Companies in Bermuda pursuant to Section 26 of the Companies Act.

12. PARTIES INVOLVED IN THE OPEN OFFER AND CORPORATE INFORMATION

Registered office	Clarendon House Church Street Hamilton HM 11 Bermuda
Principal place of business in Hong Kong	Unit D, 12/F. Seabright Plaza 9–23 Shell Street North Point Hong Kong
Authorised representatives (for Listing Rules purpose)	Mr. Wang Jianqing B4-3302, Glorious City Garden No. 860 Dong Feng East Road Guangzhou, 510600 People’s Republic of China Mr. Chan Sek Kwan Rays Room A, 11/F Block A, Comfort Gardens 60 King’s Road North Point, Hong Kong
Authorised representative (for Companies Ordinance purpose)	Mr. Chan Sek Kwan Rays Room A, 11/F Block A, Comfort Gardens 60 King’s Road North Point, Hong Kong
Auditors and reporting accountants	Deloitte Touche Tohmatsu 35th Floor, One Pacific Place 88 Queensway, Hong Kong

Underwriter	Frontier Global Group Limited Sea Meadow House Blackburne Highway (P.O. Box 116) Road Town Tortola British Virgin Islands
Legal advisor as to Hong Kong law (in relation to the Open Offer)	David Chan & Carmen Chan, Solicitors 2308-9, 23rd Floor Cosco Tower 183 Queen's Road Central Hong Kong
Legal advisor as to Bermuda law (in relation to the Open Offer)	Conyers Dill & Pearman 2901, One Exchange Square 8 Connaught Place Central, Hong Kong
Principal Banker	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Share registrar and transfer office of the Company in Bermuda	Butterfield Fulcrum Group (Bermuda) Limited 11 Rosebank Centre Bermudiana Road Hamilton, Bermuda
Branch Share registrar and transfer office of the Company in Hong Kong	Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai, Hong Kong

13. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT**(a) Name and Address of Directors and Senior Management**

Name	Address
<i>Executive Directors</i>	
Mr. Wang Jianqing (<i>Chairman and Chief Executive Officer</i>)	B4-3302, Glorious City Garden No. 860 Dong Feng East Road Guangzhou, 510600 People's Republic of China
Mr. Pan Junfeng	Room 207, Block 4 Jian Kang Xi Road Da Zhong Town Da Feng City Jiangsu Province People's Republic of China
<i>Independent Non-executive Directors</i>	
Dr. Leung Hoi Ming	5/F 162 Queen's Road West Hong Kong
Mr. Wong Chi Keung	Flat F, 43/F, Block 1 The Orchards 3 Greig Road Quarry Bay, Hong Kong
Mr. Tom Xie	Flat 20B, Tower 5 Pacific Palisades 1 Braemar Hill Road Hong Kong
Mr. Lo Wai Hung	Flat A, 42/F, Block 5 Royal Ascot No 1 Tsun King Road Shatin, New Territories
<i>Company Secretary</i>	
Mr. Chan Sek Kwan Rays	Room A, 11/F Block A, Comfort Gardens 60 King's Road North Point, Hong Kong

Name	Address
<i>Chief Operating Officer</i>	
Mr. Zhou Jian	4-3-702, No 39 Landianchang South Road Haidian District Beijing, PRC. 100097

(b) Biographical details of the Directors

Executive Directors

Mr. Wang Jianqing (Chairman and Chief Executive Officer)

Mr. Wang, the chairman and chief executive officer of the Company, joined the Company on 14 December 2010 when he was appointed as Director. He was appointed as chairman on 27 January 2011 and appointed as the chief executive officer of the Company on 15 September 2011.

Mr. Wang, aged 43 is currently the general manager of Guangzhou Circle Energy Company Ltd. He obtained his bachelor's degree in Industrial Management Engineering from Zhenjiang Shipbuilding College (now known as the Jiangsu University of Science and Technology).

Mr. Wang is deemed interested in the 448,073,096 ordinary shares of HK\$0.10 each owned by Frontier Global Group Limited (pursuant to Part XV of SFO), representing approximately 56.50% of the issued shares. These shares are owned directly by Frontier Global Group Limited, which is wholly owned by Touch Billion Limited, and which in turn is owned as to 75% by Champion Golden Limited, in which Mr. Wang has 50% of its voting rights. Mr. Wang is also a director of each of Frontier Global Group Limited, Touch Billion Limited and Champion Golden Limited.

Mr. Pan Junfeng

Mr. Pan was appointed as Director on 14 December 2010.

Mr. Pan, aged 55, is currently the deputy general manager of a shipping company that principally engaged in oil and bulk goods trading business in Yangtze region.

Independent Non-executive Directors

Dr. Leung Hoi Ming

Dr. Leung, an independent non-executive Director, joined the Company on 19 January 2010.

Dr. Leung, aged 43, is currently a director of Toi Shan Association of Hong Kong Limited. He has extensive knowledge and experience in risk management of financial instruments, treasury business and financial derivative products. He has served DBS Bank Ltd., Hong Kong Branch for eight years and was a Senior Vice President in the Treasury and Markets Division upon his departure from the bank on 22 May 2009.

Dr. Leung started his career in the finance industry in 1996 with Citibank, N.A. and was a quantitative analyst in the Equity Derivatives Asia Department upon his departure of Citibank, N.A.. Prior to joining DBS Bank Ltd., Hong Kong Branch, Dr Leung held different positions in trading and risk management divisions of other financial institutions.

Dr. Leung, a native Hong Kong citizen with Chinese nationality, holds a Bachelor (First Class Honours) degree of Science (1990) from the Chinese University of Hong Kong, a Master degree of Science in Mathematics (1993) and a Doctor degree of Philosophy in Mathematics (1996) from the California Institute of Technology, and a Master degree of Science in Investment Management (1999) from the Hong Kong University of Science and Technology.

Mr. Wong Chi Keung

Mr. Wong, an independent non-executive Director, joined the Company on 19 January 2010.

Mr. Wong, aged 56, holds a master's degree in business administration from the University of Adelaide in Australia. He is a fellow member of Hong Kong Institute of Certified Public Accountants, The Association of Certified Accountants and CPA Australia; an associate member of The Institute of Chartered Secretaries and Administrators and The Institute of Cost and Management Accountants. Mr. Wong is also a Responsible Officer for asset management, advising on securities and advising on corporate finance for Greater China Capital Limited (formerly known as Sinox Fund Management Limited), under the SFO.

Mr. Wong was as an executive director, the deputy general manager, group financial controller and company secretary of Yuexiu Property Company Limited (formerly known as Guangzhou Investment Company Limited) (stock code: 123), a company listed on the Stock Exchange, for over ten years. He is also an independent non-executive director and a member of the audit committee of Asia Orient Holdings Limited (stock code: 214), Asia Standard International Group Limited (stock code: 129), Century City International Holdings Limited (stock code: 355), China Nickel Resources Holdings Company Limited (stock code: 2889), China Ting Group Holdings Limited (stock code: 3398), ENM Holdings Limited (stock code: 128), First Natural Foods Holdings Limited (provisional liquidators appointed) (stock code: 1076), Golden Eagle Retail Group Limited (stock code: 3308), PacMOS Technologies Holdings Limited (stock code: 1010), Paliburg Holdings Limited (stock code: 617), Regal Hotels International

Holdings Limited (stock code: 78) and TPV Technology Limited (stock code: 903), all of these companies are listed on the Stock Exchange. Mr. Wong has over 33 years of experience in finance, accounting and management. Mr. Wong was also an independent non-executive director of Great Wall Motor Company Limited (stock code: 2333) (resigned on 5 June 2009), International Entertainment Corporation (stock code: 1009) (resigned on 23 September 2008) and FU JI Food and Catering Services Holdings Limited (provisional liquidators appointed) (stock code: 1175) (resigned on 24 June 2011).

Mr. Tom Xie

Mr. Xie, an independent non-executive Director, joined the Company on 19 January 2010.

Mr. Xie, aged 62, had years of management experience with a Hong Kong listed company.

Mr. Xie is currently a candidate of a Master's degree in Gemology with China University of Geosciences (Beijing).

Mr. Xie is also the Permanent Honorary Chairman of the Confederacy of Hong Kong Shanwei Clansmen Limited.

Mr. Lo Wai Hung

Mr. Lo, an independent non-executive Director, joined the Company on 19 May 2011.

Mr. Lo, aged 52, obtained a bachelor degree in Commerce from James Cook University of North Queensland, Australia. Mr. Lo is an associate member of Institute of Chartered Accountants in Australia and a fellow member of Hong Kong Institute of Certified Public Accountants.

Mr. Lo was appointed as an independent non-executive director of the Company on 19 May 2011. Mr. Lo is also an independent non-executive director of Shangdong Weigao Group Medical Polymer Company Limited (stock code: 1066) and Talent Property Group Limited (stock code: 760), both companies are listed on the Stock Exchange, and an independent director of China Merchants Property Development Co. Ltd. (Shenzhen stock code: 24), a company listed on Shenzhen Stock Exchange.

Company Secretary

Mr. Chan Sek Kwan Rays

Mr. Chan joined the Group as the Company Secretary on 11 January 2010.

Mr. Chan, aged 46, has over 20 years of audit and corporate advisory service experience in Hong Kong and the PRC and was involved in numerous financial reporting and investigations, and initial public offering engagements covering various industries such as, amongst others, property development and construction, garment and electronics manufacturing. Mr. Chan gained his bachelor degree of Business at University of Southern Queensland, Australia. He is also a Certified Public Accountant (Practising) in Hong Kong, a Fellow member of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia.

Chief Operating Officer

Mr. Zhou Jian

Mr. Zhou was appointed as the chief operating officer of the Company on 15 September 2011.

Mr. Zhou, aged 38, holds a master's degree in Economics from the Central University of Finance and Economics, the PRC.

Mr. Zhou was responsible for the global fuel oil trading during his service in China National United Oil Corporation as well as managing the fuel oil spot and future markets of its branches in Asia and America. He was also a senior manager of Titan Petrochemicals Group Limited (stock code: 1192), a company listed on the Stock Exchange, in the oil storage and distribution divisions. Mr. Zhou has 10 years of extensive working experience in energy field with broad business network, and is familiar with global energy environment and market.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance, so far as applicable.

15. GENERAL

In the event of inconsistency, the English version of this Prospectus shall prevail over the Chinese version.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours between 10:00 a.m. to 4:00 p.m. on Monday to Friday (except public holiday) at the principal place of business of the Company in Hong Kong at Unit D, 12/F., Seabright Plaza 9–23 Shell Street, North Point, Hong Kong up to and including 14 March 2012:

- (a) the Prospectus Documents;
- (b) the memorandum of association and bye-laws of the Company;
- (c) annual reports of the Group for the three years ended 31 March 2009, 2010 and 2011;
- (d) Interim Report for the six months ended 30 September 2011;
- (e) the material contracts referred to the paragraph headed “Material Contracts” in this Appendix;
- (f) the letter from Deloitte Touche Tohmatsu on the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II to this Prospectus; and
- (g) the letter of consent referred to the paragraph headed “Expert and Consent” in this Appendix.