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NGAI HING HONG COMPANY LIMITED

毅興行有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

ADJUSTMENT OF OUTSTANDING OPTIONS CLARIFICATION ANNOUNCEMENT

The Directors would like to clarify that, following the supplementary guidelines issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price and number of outstanding Options exercisable into a total of 28,500,000 Shares granted under the share option scheme of the Company adopted on 5 December 2002 will not require adjustments under the terms of the Company's share option scheme as previously announced on 13 June 2005. For avoidance of doubt, the number of outstanding Options and their respective exercise prices will remain unchanged at (i) 3,000,000 Options exercisable at HK\$0.65 per Share and (ii) 25,500,000 Options exercisable at HK\$0.82 per Share.

Reference is made to the announcement dated 13 June 2005 (the "Announcement") made by Ngai Hing Hong Company Limited (the "Company") in relation to the result for the Open Offer and the prospectus of the Company dated 26 May 2005 (the "Prospectus"). Capitalised terms used herein have the same meanings ascribed thereto in the Prospectus.

ADJUSTMENT OF OUTSTANDING OPTIONS

The share option scheme of the Company adopted on 5 December 2002 (the "Share Option Scheme") provides that corresponding adjustments shall be made in the event of a capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company whilst any Option remains exercisable. As mentioned in the Announcement, the Company has outstanding Options exercisable into a total of 28,500,000 Shares granted under the Share Option Scheme, of which 3,000,000 of these Options allow the holders thereof to subscribe for Shares at an exercise price of HK\$0.65 per Share, and the remaining 25,500,000 of these Options allow the holders thereof to subscribe for Shares at an exercise price of HK\$0.82 per Share. None of these Options has been exercised as at the date of this announcement.

Following the supplementary guidelines (the "Guidelines") issued by the Stock Exchange on 5 September 2005 regarding adjustment of options under Rule

17.03(13) of the Listing Rules, the Company have reconsidered the dilution effect of the Open Offer on the outstanding Options in accordance with the Guidelines. The Directors would like to clarify that the exercise price and number of outstanding Options existing before the Record Date for the Open Offer will not require adjustments as mentioned in the Announcement, taking into account the closing price of HK\$0.60 per Share on 20 May 2005 (being the last trading day before ex-entitlement to the Open Offer) as compared to a theoretical ex-entitlement price worked out to be equaling HK\$0.60 per Share. Based on these prices and the formula provided in the Guidelines, the adjustment factor (scrip factor) is worked out to be equal 1, and therefore, multiplying this scrip factor to the number of outstanding Options and their respective exercise prices has made these figures unchanged at (i) 3,000,000 Options exercisable at HK\$0.65 per Share and (ii) 25,500,000 Options exercisable at HK\$0.82 per Share. The adjustment calculations have been reviewed by the auditors of the Company, and they have confirmed to the Company that such calculations are in accordance with the Guidelines.

As at the date of this announcement, the executive Directors are Mr. Hui Sai Chung, Mr. Hui Kwok Kwong, Dr. Wong Chi Ying, Anthony, Mr. Lai Kam Wah, Mr. Ching Yu Lung and Madam Liu Sau Lai; and the independent non-executive Directors are Mr. Ho Wai Chi, Paul, Mr. Fong Pong Hing and Mr. Chan Dit Lung.

By order of the Board
Ngai Hing Hong Company Limited
Hui Sai Chung
Chairman

Hong Kong, 29 September 2005

** For identification purpose only*