



NGAI HING HONG ANNOUNCES 2007/08 INTERIM RESULTS

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PROFIT UP MORE THAN 78% TO HK\$13,114,000 ACTIVELY PROMOTES ENVIRONMENTALLY FRIENDLY PRODUCTS EXPANDS HIGH MARGIN U.S. AND EUROPEAN MARKETS

(Hong Kong, March 12, 2008) -- Leading Hong Kong plastic resins and specialty colourants supplier **Ngai Hing Hong Company Limited** (together with its subsidiaries, the “Group”) (Stock code: 1047) today announced its interim results for the six months ended December 31, 2007.

During the six-month period under review, the Group recorded a turnover of HK\$793,553,000 (2006: HK\$691,129,000), a 15% rise compared with the last corresponding period. Profit attributable to shareholders increased by more than 78% to HK\$13,114,000 (2006: HK\$7,366,000), mainly attributable to the gain from the disposal of PVC business to PolyOne Corporation (“PolyOne”). Earnings per share were HK 3.64 cents (2006: HK 2.05 cents). The Board has recommended payment of an interim dividend of HK 1.0 cent per share (2006: HK 1.0 cent).

Mr. Hui Sai Chung, Chairman of Ngai Hing Hong, said, “We are very much encouraged by the double-digit growth achieved by our two major businesses. Although crude oil and raw material prices remained high during the period, the Group was able to maintain its gross profit margin at 9% through effective cost control measures and prudence in taking orders. On top of that, the Group made revenue of HK\$13,235,000 from the disposal of PVC business, which contributed to the over 78% growth in profit.”

Engineering plastics manufacturing business continued to be the Group’s major growth driving force. Turnover from the business grew by 12% compared with the same period last year, at the Group’s relentless effort in research and development of new products and applications. Plastic trading business also delivered satisfactory performance with turnover up by 10% against the last corresponding period. As for the colorants and compounded plastic resins business, Northern and Eastern China together reported 17% growth in turnover compared with the same period last year. However, the Group’s customers in Dongguan, mostly toy exporters, had been cautious in ordering as a result of recent tense trade relations between the PRC and the U.S.. This led to an approximately 3% drop in overall turnover from the colorants and compounded plastic resins business.

For enterprises operating in mainland China, recently launched new Customs policies and Labour Law are expected to increase their operation costs. To boost its competitive strengths, the Group will continue to adopt sound business strategies and manage its finance with prudence. It will also actively study the feasibility of expanding the Southern China productions to other districts close by.

Tapping the growing acceptance of environmentally friendly products in recent years, the Group started developing and promoting new biodegradable plastics products in August last year. The new plastics products are primarily used in the production of disposable household and packaging products. They facilitated expansion of business of the Group in the high margin U.S. and European markets, thus boosted the Group’s profitability.

Mr. Hui concluded, “Looking forward, the Group will not only focus on developing environmentally friendly products, but will also continue to control production costs, with the aim of boosting cost effectiveness and overall operational efficiency. In the second half of the year, aiming to accomplishing healthy business growth, the Group will step up sales and marketing efforts and strive to secure new customers among especially large enterprises likely to place volume orders and posing lower risks.”

About Ngai Hing Hong Company Limited

Ngai Hing Hong provides a total solution to plastic products manufacturers with services and products ranging from plastic resins (including polymers and engineering plastics) selection, complementary computerised colour matching services, on the spot technical advice, to the supply of custom-made plastic colourants and engineering plastics for the plastics industry.

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