[Press release]

NGAI HING HONG ANNOUNCES 2009/10 INTERIM RESULTS

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THREE MAJOR BUSINESSES POST TURNAROUND HK$7.513 MILLION PROFIT

(Hong Kong, February 25, 2010) -- 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, 2009.

In the second quarter of 2009, the global economy started to come out from the shadow of the financial crisis with the market showing signs of revival. Such trends were duly reflected in the results of the Group for the first half of the financial year. During the period, the Group recorded a turnover of HK$582,206,000, achieved a 26% gain when compared with the first six months of 2009 (2008: HK$667,872,000). The Group turned around its business with profit attributable to equity holders of the Company of HK$7,513,000 (2008: loss of HK$24,579,000). Basic earnings per share were HK2.03 cents (2008: loss per share of HK6.66 cents). The Board of Directors recommends payment of an interim dividend of HK1.0 cent per share (2008: Nil).

Mr. Hui Sai Chung, Chairman of Ngai Hing Hong, said, "During the period under review, the Group managed to turn around from loss, thanks to the Group adjusted its sales strategy to focus on the more profitable China market and optimised product mix by increasing the proportion of higher-margin engineering plastics business and colorant and compounded plastic resin business. Meanwhile, stable material costs also allowed the Group to better control selling prices of its products, avoid over-stocking and lower inventory cost, hence ultimately afforded to increase overall gross profit margin to 12% from approximately 9% in the corresponding period of last financial year."

All the three major businesses of the Group managed to return to profit during the period, with the colorant and compounded plastic resin business reporting the best performance. The Chinese Government's RMB4 trillion stimulus package and policies to promote sales of household appliances in rural areas have boosted domestic consumption and created increasing demand for colorant and compounded plastic resin products used in the manufacture of digital products, which command the gross profit margin up 5% and profit before taxation at HK$ 8,742,000. On the front of plastics trading business, profit before taxation of HK$2,260,000 was recorded in the second half of 2009 against loss recorded for the same period of 2008. With China's economy climbing, market demand for imported quality plastics materials is also rising. This development pushed up turnover from Guangzhou and Shanghai by more than two folds. As for the engineering plastics business, because the Group was prudent in selecting customers, turnover from the business was lower but it can still achieve a slight increase in profit before taxation to HK$7,276,000.

During the period under review, the Group adopted more stringent cost control measures, which was rewarded with a 16% trim in distribution costs and a 6% saving in employee benefits expenses, whereas interest cost was down by a marked 67%, which was mainly attributable to lower interest rates and reduction in average borrowings. Hence, the Group remained healthy financially and sustained profitability.

Looking ahead to 2010, the market expects crude oil and raw material prices to stabilise which will give the Group control on pricing strategy and costs and in turn maintain the overall gross profit margin of its business. Thus, the management remains cautiously optimistic about the prospects of the Group.

To snatch opportunities and unearth potential in the market, the Group has started investing in new plants and expanding its sales networks. In China, the Group has invested more than RMB5,000,000 in setting up a sales office in Tianjin scheduled to commence operation in the first half of 2010. The sales office will mainly develop plastics trading business in northern China and three northeast provinces targeting heavy industries such as automobile and aircraft that require high quality imported plastics products. In Hong Kong, to highest enjoy the preferential tax treatment under The Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA"), the Group also plans to invest capital of approximately HK$10,000,000 in its Taipo plant. With the basic layout confirmed, the plant is expected to begin operation by the end of 2010.

Mr. Hui concluded, "The Group believes as the negative impacts of the global financial crisis recede and the GDP of the mainland China keeps surging, demand for quality plastics products will rise in the country. Moreover, with some of the weaker players ousted from the industry, the Group will closely monitor the market trends, adjust its business strategy and product mix to explore new customers so as to capture rising opportunities in the future."

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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