

[Press release]

NGAI HING HONG ANNOUNCES 2009/10 ANNUAL RESULTS

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BENEFITING FROM GROWING DOMESTIC CONSUMPTION IN CHINA
TURNOVER INCREASED BY 12.5% TO HK\$1,271,463,000
RETURN TO PROFITABILITY

(Hong Kong, September 28, 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 annual results for the year ended June 30, 2010.

Driven by strong consumption power resulting from the large-scale economic stimulus package introduced by the Central Government of Mainland China, the manufacturing industry and the economy as a whole began to recover. Plastics, a raw material used in most industries, saw a rise in demand, in turn creating good growth momentum within the plastic manufacturing industry. Such trends were duly reflected in the results of the Group of the financial year. During the period, the Group recorded a turnover of HK\$1,271,463,000 (2009: HK\$1,129,930,000) and profit attributable to equity holders of the Company of HK\$28,352,000 (2009: loss of HK\$20,757,000). Earnings per share for the year were HK7.68 cents (2009: loss of HK5.62 cents). The Board has recommended the payment of a final dividend of HK2.0 cents per share (2009: Nil). Together with an interim dividend of HK1.0 cent per share, the total dividend payment for the year under review will be HK3.0 cents per share (2009: Nil).

Mr. Hui Sai Chung, Chairman of Ngai Hing Hong, said, “Sales from the domestic market in China surged by over 30% and with the Southern China and Hong Kong export market stabilising, such factors drove both selling price and sales volume upward, with overall turnover increasing by over 12% to HK\$1,271,463,000. During the period, the Group’s pricing and inventory policies were underpinned by stable raw material prices. Hence, gross profit recorded strong growth, exceeding 45% to HK\$161,074,000 and gross profit margin rose by nearly three percentage points to 12.7%.”

The three core businesses segments of the Group achieved significant growth over last year. The plastics trading business has grown noticeably with turnover recording a year-on-year rise of 17% to HK\$772,802,000. Moreover, increasing demand for consumer products in Mainland China has led to an escalation in plastic usage, including food packaging and home electric appliance products. The colorant and compounded plastic resin products business, which also benefited from a rise in sales in Mainland China, recorded turnover growth of 8%. Profit before taxation rose by around four folds year on year to approximately HK\$16,556,000 and gross profit margin also increased, up by three percentage points. For the engineering plastics business, the Group also sought to bolster its R&D capabilities during the year. It has developed more than 80 tailor-made plastic products for

customers, including engineering plastics for toys and household products. These products delivered higher profit margins, in combination with a drop in the cost of raw materials, including petrochemical products, turnover of this business segment has improved by 3.6%, gross profit margin achieving modest growth of one percentage point and profit before taxation rising by 39% year on year to approximately HK\$20,570,000.

Looking ahead to 2010, the Group believes that the active Mainland China economy will continue to create opportunities for the plastics industry. Steadier international oil prices have led to relatively stable supply of petrochemical products. Thus, the management expects a stable growth in the price of raw materials used in plastic materials, enabling a satisfactory operating environment. The Group will focus on the Mainland China market and seek to actively expand its market share.

In Mainland China, the new sales office in Tianjin commenced operation in June. The Group also plans to upgrade its sales office in Chengdu, a key city in Western China, to expand its customer base and enhance customer services. It also intends to extend the sales network in other key cities like Chongqing and Wuhan, to further develop within China, increase its market share and expand income sources.

In Hong Kong, the new Taipo plant, which occupies over 90,000 square feet, will be completed and commence trial run by the end of this year. Production lines will be increased from five to six and are expected to begin operation by early next year. The Group will then capitalise on a preferential tariff treatment offered under the Mainland and Hong Kong Closer Economic Partnership Arrangement (“CEPA”), which is designed to save on tariffs.

Mr. Hui concluded, “The Group believes that the booming economic activities in the Mainland China will continue to create opportunities for the plastics industry. In the coming year, the Group will actively expand its presence within the huge Mainland China market, seek to actively expand its market share in Mainland China, allowing it to seize enormous opportunities that are emerging from Mainland China’s rapid economic development, thus driving the Group’s businesses to new heights and delivering generous returns to shareholders.”

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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For press enquiries:

Strategic Financial Relations Limited

Esther Chan / Ming Chan / Onyx Lau

Tel: 2864 4825 / 2864 4892 / 2864 4847

Fax: 2804 2789 / 2527 1196

Email: esther.chan@sprg.com.hk / ming.chan@sprg.com.hk / onyx.lau@sprg.com.hk