NGAI HING HONG COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

Website: http://www.nhh.com.hk

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30TH JUNE 2007

The Board of Directors of Ngai Hing Hong Company Limited (the "Company") would like to announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 30th June 2007 as follows:

Consolidated Profit and Loss Account

		2007	**2006**
	Note	*HK$'000*	*HK$'000*
Turnover	2	1,405,507	1,332,120
Cost of sales	4	(1,272,038)	(1,209,281)
Gross profit		133,469	122,839
Other gains - net	3	11,381	5,183
Distribution costs	4	(41,086)	(35,459)
Administrative expenses	4	(74,105)	(71,696)
Operating profit		29,659	20,867
Finance costs	5	(9,157)	(9,789)
Profit before taxation		20,502	11,078
Taxation	6	(7,459)	(3,509)
Profit for the year		13,043	7,569
Attributable to:			
Equity holders of the Company		14,975	7,082
Minority interest		(1,932)	487
		13,043	7,569
Dividends	7	7,200	7,200
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in HK cent per share)			
– Basic	8	4.16	1.97
– Diluted	8	4.16	1.97

Consolidated Balance Sheet

	Note	2007 *HK$'000*	2006 *HK$'000*
Non-current assets			
Property, plant and equipment		103,313	114,285
Leasehold land and land use rights		14,756	16,177
Investment properties		17,400	12,260
Deferred tax assets		527	2,056
		135,996	144,778
Current assets			
Inventories		152,802	142,560
Trade and bills receivables	9	316,316	281,389
Other receivables, prepayments and deposits		21,308	14,635
Tax recoverable		3,418	1,001
Assets held for sale		21,417	—
Derivative financial instruments		1,575	3,018
Cash and cash equivalents		59,217	62,187
		576,053	504,790
Current liabilities			
Trade payable	10	128,888	93,856
Other payables and deposits received		26,884	7,232
Accruals		12,624	11,201
Tax payable		4,934	6,589
Obligations under finance leases – current portion		5,711	7,699
Trust receipts loans – secured		116,718	103,649
Short-term bank loans – secured		40,660	50,155
Bank advances for discounted bills		7,083	4,549
Derivative financial instruments		603	3,045
		344,105	287,975
Net current assets		231,948	216,815
Total assets less current liabilities		367,944	361,593
Non-current liabilities			
Obligations under finance leases		5,536	10,216
Deferred tax liabilities		3,343	3,129
		8,879	13,345
Net assets		359,065	348,248

	Note	2007 HK$'000	2006 HK$'000
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		36,000	36,000
Other reserves		82,225	75,722
Retained earnings		229,796	221,162
Proposed dividends		3,600	3,600
		351,621	336,484
Minority interest		7,444	11,764
Total equity		359,065	348,248

Notes:

1 **Basis of preparation**

The consolidated accounts of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated accounts have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and investment properties, which are carried at fair value.

The preparation of accounts in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Standard, amendments and interpretations to existing standards effective in 2007

The following standard, amendments and interpretations to existing standards are mandatory for the year ended 30th June 2007 but are not relevant or do not have significant impact on the Group's operations:

HKFRS 6	Exploration for and Evaluation of Mineral Resources
Hong Kong Accounting Standard ("HKAS") 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 21 (Amendment)	Net Investment in a Foreign Operation
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 6 (Amendment)	Exploration for and Evaluation of Mineral Resources
HKFRS-Int 4	Determining whether an Arrangement contains a Lease
HKFRS-Int 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
Hong Kong International Financial Reporting Interpretations Committee ("HK(IFRIC)")-Int 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment

HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives

(b) Standards and interpretations that are not yet effective and have not been early adopted by the Group

The following standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on or after 1st July 2007 or later periods that the Group has not early adopted:

- HK(IFRIC)-Int 10, "Interim Financial Reporting and Impairment", effective for annual periods beginning on or after 1st November 2006. It prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date.

- HK(IFRIC)-Int 11, "HKFRS 2 – Group and Treasury Share Transactions", effective for annual periods beginning on or after 1st March 2007. This interpretation clarifies that certain types of transaction are accounted for as equity-settled or cash-settled under HKFRS 2. It also addresses the accounting for share-based payment transactions involving two or more entities within one group.

- HK(IFRIC)-Int 12, "Service Concession Arrangements", effective for annual periods beginning on or after 1st January 2008. It applies to companies that participate in service concession arrangements and provides guidance on the accounting by operators in public-to-private service concession arrangements.

- HK(IFRIC)-Int 13, "Customer Loyalty Programmes", effective for annual periods beginning on or after 1st July 2008. This interpretation addresses the accounting for granting award credits to the customers.

- HK(IFRIC)-Int 14, "HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction", effective for annual periods beginning on or after 1st January 2008. This interpretation clarifies when refunds or reductions in future contributions should be regarded as available, the effect of minimum funding requirement on it and when a minimum funding requirement gives rise to a liability.

- HKFRS 7, "Financial Instruments: Disclosures", and the complementary Amendment to HKAS 1, "Presentation of Financial Statements – Capital Disclosures", effective for annual periods beginning on or after 1st January 2007. HKFRS 7 introduces new disclosures relating to financial instruments. These standard and amendment do not have any impact on the classification and valuation of the Group's financial instruments.

- HKFRS 8, "Operating Segments", effective for annual periods beginning on or after 1st January 2009. Under HKFRS 8, segments are components of an entity regularly reviewed by an entity's chief operating decision-maker. Items are reported based on the internal reporting.

- HKAS 23 (Revised), "Borrowing Costs", effective for annual periods beginning on or after 1st January 2009. The revised standard removes the option to expense borrowing costs attributable to qualifying assets.

The Group has already commenced an assessment of the impact of these new standards, amendments and interpretations but is not yet in a position to state whether these new standards, amendments and interpretations would have a significant impact on its results of operations and financial positions.

2. **Turnover and segment information**

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the trading and manufacturing of plastic materials, pigments, colorants, compounded plastic resins, engineering plastic products and PVC compounds.

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Turnover		
Sale of goods	1,405,507	1,332,120

An analysis of the Group's turnover and results for the year ended 30th June 2007 by geographical segment is as follows:

		2007	
	Hong Kong	**The People's Republic of China excluding Hong Kong ("The PRC")**	**Group**
	HK$'000	*HK$'000*	*HK$'000*
Turnover			
– Gross segment	1,180,930	333,513	1,514,443
– Inter-segment	(66,766)	(42,170)	(108,936)
	1,114,164	291,343	1,405,507
Segment results	9,558	13,747	23,305
Unallocated costs			(2,803)
Profit before taxation			20,502
Taxation			(7,459)
Profit after taxation			13,043
Minority interest			1,932
Profit attributable to equity holders of the Company			14,975

The segment assets and liabilities at 30th June 2007 and other segment information for the year ended are as follows:

	2007		
	Hong Kong	**The PRC**	**Group**
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	446,809	264,489	711,298
Unallocated assets			751
Total assets			712,049
Segment liabilities	252,889	93,570	346,459
Unallocated liabilities			6,525
Total liabilities			352,984
Other information:			
Capital expenditure	4,582	6,050	10,632
Depreciation of property, plant and equipment	7,043	9,054	16,097
Amortisation of leasehold land and land use rights	240	163	403

An analysis of the Group's turnover and results for the year ended 30th June 2006 by geographical segment is as follows:

	2006		
	Hong Kong	**The PRC**	**Group**
	HK$'000	*HK$'000*	*HK$'000*
Turnover			
– Gross segment	1,168,550	268,922	1,437,472
– Inter-segment	(67,943)	(37,409)	(105,352)
	1,100,607	231,513	1,332,120
Segment results	14,286	(130)	14,156
Unallocated costs			(3,078)
Profit before taxation			11,078
Taxation			(3,509)
Profit after taxation			7,569
Minority interest			(487)
Profit attributable to equity holders of the Company			7,082

The segment assets and liabilities at 30th June 2006 and other segment information for the year ended are as follows:

	2006		
	Hong Kong	**The PRC**	**Group**
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	410,152	236,104	646,256
Unallocated assets			3,312
Total assets			649,568
Segment liabilities	201,109	90,082	291,191
Unallocated liabilities			10,129
Total liabilities			301,320
Other information:			
Capital expenditure	5,430	5,113	10,543
Depreciation of property, plant and equipment	6,725	8,140	14,865
Amortisation of leasehold land and land use rights	260	155	415

Turnover and segment results are presented based on the operating locations of group companies. Unallocated costs represent corporate expenses.

All the Group's turnover and operating profit are attributable to the manufacturing and trading of plastic products and accordingly no analysis of the Group's turnover and contribution to operating profit by business segment is provided.

Segment assets consist primarily of property, plant and equipment, inventories, trade and other receivables, other financial assets at fair value through profit or loss and cash and cash equivalents. Unallocated assets mainly comprise deferred taxation and tax recoverable.

Segment liabilities comprise operating liabilities and borrowings. Unallocated liabilities comprise items such as taxation.

Capital expenditure comprises additions to property, plant and equipment and leasehold land and land use rights.

3. **Other gains-net**

	2007	**2006**
	HK$'000	*HK$'000*
Rental income	1,563	1,094
Interest income	542	304
Fair value gains on investment properties	426	220
Derivative financial instruments		
– forward contracts: held for trading	999	(2,136)
Net exchange gains	5,578	5,701
Negative goodwill arising from acquisition of additional interests in a subsidiary	2,273	—
	11,381	5,183

4. **Expenses by Nature**

	Group 2007	Group 2006
	HK$'000	*HK$'000*
Cost of inventories sold	1,207,630	1,144,642
Employee benefit expenses, including directors'emoluments	72,998	67,837
Depreciation:		
Owned property, plant and equipment	11,844	10,280
Leased property, plant and equipment	4,253	4,585
Transportation expenses	15,613	15,952
Utility expenses	12,504	8,312
Amortisation of leasehold land and land use rights	403	415
Operating lease rentals in respect of land and buildings	7,743	7,262
Auditors' remuneration	1,517	1,015
Other expenses	52,724	56,136
Total costs of sales, distribution costs and administrative expenses	1,387,229	1,316,436
Representing:		
Cost of sales	1,272,038	1,209,281
Distribution costs	41,086	35,459
Administrative expenses	74,105	71,696
	1,387,229	1,316,436

5. **Finance costs**

	Group 2007	Group 2006
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	8,347	8,704
Interest element of finance leases	810	1,085
	9,157	9,789

6. **Taxation**

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on profits of PRC subsidiaries has been calculated on the estimated assessable profit for the year at the rates of taxation as applicable to the local subsidiaries.

The amount of taxation charged to the consolidated profit and loss account represents:

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Current taxation:		
Hong Kong profits tax	2,540	2,619
PRC income tax	1,913	943
Overprovision in previous years	(155)	(211)
	4,298	3,351
Deferred taxation	1,743	158
Additional provision made as a result of development of tax interpretations	1,418	—
	7,459	3,509

7. **Dividends**

	2007	**2006**
	HK$'000	*HK$'000*
Interim, paid, of HK1.0 cent (2006: HK 1.0 cent) per ordinary share	3,600	3,600
Final, proposed, of HK1.0 cent (2006: HK 1.0 cent) per ordinary share (note)	3,600	3,600
	7,200	7,200

Note:

At a meeting held on 11th October 2007, the Directors proposed a final dividend of HK1.0 cent per ordinary share. This proposed dividend is not reflected as a dividend payable in these accounts but as an appropriation of retained earnings for the year ending 30th June 2008.

8. **Earnings per share**

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2007	**2006**
Profit attributable to equity holders of the Company (HK$'000)	14,975	7,082
Weighted average number of ordinary shares in issue	360,000,000	360,000,000
Basic earnings per share (HK cent per share)	4.16	1.97

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the share options granted. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Dilutive earnings per share equaled basic earnings per share for the years ended 30th June 2006 and 2007. The exercise of the outstanding share options would be anti-dilutive for the years ended 30th June 2006 and 2007.

9. **Trade and bills receivables**

	2007	**2006**
	HK$'000	*HK$'000*
Trade and bills receivables – gross	318,050	282,329
Less: provision for impairment of receivables	(1,734)	(940)
Trade and bills receivables – net	316,316	281,389

The ageing analysis of the trade and bills receivables is as follows:

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Within 90 days	288,940	242,040
91 - 180 days	23,910	29,837
Over 180 days	5,200	10,452
	318,050	282,329

There was no concentration of credit risk with respect to trade and bills receivables as the Group has a large number of customers. The carrying value of the trade and bills receivables approximates their fair value.

The majority of the Group's sales are with credit terms of 30 to 90 days. The remaining amounts are on letter of credit or documents against payment.

10. **Trade payable**

The ageing analysis of the trade payable is as follows:

	Group	
	2007	**2006**
	HK$'000	*HK$'000*
Within 90 days	124,547	91,646
91 - 180 days	3,895	1,334
Over 180 days	446	876
	128,888	93,856

11. **Contingent liabilities**

As at 30th June 2007, the Company and the Group had the following contingent liabilities:

(a) Guarantee in respect of the due performance of a subsidiary under a contract manufacturing agreement to the extent of HK$20,000,000 (2006: HK$20,000,000);

(b) Guarantees given to banks for banking facilities granted to its subsidiaries to the extent of approximately HK$441,894,000 (2006: HK$410,294,000); and

(c) In April 2003, a customer (the "Customer") issued a Writ of Summons in the High Court of the Hong Kong Special Administrative Region (the "Proceedings") against a subsidiary of the Company (the "Subsidiary") and filed a Statement of Claim in June 2003 claiming against the Subsidiary for US$589,590.53 (the "Claim") for losses and damages alleged to have been suffered by the Customer as a result of alleged breach of contract entered into between the Customer and the Subsidiary for goods sold by the Subsidiary to the Customer (the "Goods"). The Subsidiary has (i) filed a defence and counterclaim to the Claim (the "Counterclaim") and (ii) taken out Third Party Proceedings against the company, which supplied the Goods to the Subsidiary for resale to the Customer (the "Third Party"). The Third Party has also taken out the Fourth Party Proceedings against the company, which supplied the Goods to the Third Party for resale to the Subsidiary. The trial of the Proceedings completed on 27th September 2006 and the Judgment was delivered on 30th March 2007 (the "Judgment"). In the Judgment, the Honourable Mr. Justice Barma (i) dismissed the Claim, (ii) gave judgment in favour of the Subsidiary on its counterclaim with interest (collectively the "Counterclaim Award"), and (iii) dismissed the Third and Fourth Party Proceedings. By an Order dated 30th April 2007, the Customer was ordered to pay (i) the Subsidiary the costs in the Proceedings (the "Costs") save all orders for costs which have been reserved in the Proceedings (the "Reserved Orders"), and (ii) the costs of (a) the Third Party in the Third Party Proceedings, and (b) the Fourth Party in the Fourth Party Proceedings. By another Judgment dated 30th July 2007, the Honourable Mr. Justice Barma gave judgment in favour of the Subsidiary in relation to the Reserved Orders issue (the "Reserved Orders Issue") and the Customer was ordered to pay to the Subsidiary (i) all the costs of the Reserved Orders, and (ii) the costs of the written submission in relation to the Reserved Orders Issue (collectively the "Reserved Orders Costs").

12. **Commitments**

(a) Capital commitments

At 30th June 2007, the Group had the following capital commitments for property, plant and equipment:

	2007	**2006**
	HK$'000	*HK$'000*
Contracted but not provided for	6,863	6,251
Authorised but not contracted for	—	—
	6,863	6,251

(b) Commitment under operating leases

At 30th June 2007, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings as follows:

	2007	2006
	HK$'000	*HK$'000*
Not later than one year	2,630	6,800
Later than one year and not later than five years	3,079	12,399
Later than five years	97	3,868
	5,806	23,067

DIVIDENDS

The directors have resolved to recommend the payment of a final dividend of HK1.0 cent per share for the year ended 30th June 2007 (2006: HK1.0 cent). The proposed final dividend, together with the interim dividend of HK1.0 cent (2006: HK1.0 cent) paid on 12th April 2007, will make a total distribution of HK2.0 cents per share for the year. The proposed final dividend, if approved at the forthcoming Annual General Meeting, will be payable in cash on or about 5th December 2007 to members whose names appear on the Register of Members of the Company on 28th November 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Friday, 23rd November 2007 to Wednesday, 28th November 2007 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend to be approved at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, Rooms 1901-02 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 22nd November 2007.

BUSINESS REVIEW

In the year under review, the Group's turnover rose 6% as compared with last year, attributable mainly to the increased sales of engineering plastic products and colorants. Profit of the Group for the year more than doubled that of last year, thanks to the satisfactory performance of the manufacturing business and the Group's efforts to increase production of high value-added products and control cost. During the year, high crude oil and raw material prices pushed up the Group's operating costs. In combat, the Group adopted a series of cost control measures including lowering fuel cost, reducing financial costs such as interest expenses by shortening account receivables recovery period so as to increase cash flows and maintain its gross profit margin. The Group's tax expenditure also rose mainly because it had to write back deferred tax assets resulting from disposal of assets and make additional provision in relation to development of tax interpretations. Although the operating environment continued to be tough for the plastic materials and plastics related industries, at the management's efforts and prudent business strategy, the Group managed to achieve satisfactory progress in business development.

Turnover from plastics trading decreased in the first half of the year under review, but rebounded markedly in the second half year, pushing the segment's turnover up by 2% against the previous year. Applying active sales and marketing strategies, the Group enlarged its customer base during the year and reported increase both in number of orders and selling prices. Furthermore, in the light of severe fluctuation of raw material prices, the Group was cautious in accepting orders and opted for lower risk orders. The Group also set up a subsidiary in Guangzhou and another in Shanghai during the year to expand its trading business in Mainland China.

The Group's engineering plastics manufacturing business grew satisfactorily reporting a turnover 15% higher than that of last year. During the year, the business unit enhanced its R&D capabilities and added new testing equipment to strengthen the quality and competitiveness of its products. These efforts explained the steady growth in sales of engineering plastics products. Furthermore, the Group also increased the proportion of tailor-made products for customers and improved product quality and after-sale services, which were also factors contributing to the segment's handsome profit and growth.

Domestic sales of colorants and compounded plastic resins boasted notable growth for the year, making 20% more in turnover against last year. To support business development, the Group opened a new factory in Xiamen in October 2006. Together with the other factories in Dongguan, Shanghai and Qingdao, the new factory has helped to increase overall production capacity of the Group for meeting market demand in Fujian Province and surrounding regions.

Affected by intense competition in the PVC market, the Group reported loss in its PVC compounds manufacturing and sales business. During the year under review, the Group signed an agreement with PolyOne Corporation ("PolyOne"), which is listed on the New York Stock Exchange, to sell part of the assets of a subsidiary to PolyOne and acquire a 5% stake in a PolyOne subsidiary operating PVC business. PolyOne is a world-renowned compounding and North American distribution company of thermoplastic compounds, specialty PVC resins, colour and additives. The transaction is expected to be completed by December 2007, creating a win-win partnership. It will allow PolyOne to tap the PVC market in the People's Republic of China and the Group to focus resources on developing its core plastic manufacturing and trading business.

PROSPECTS

To minimize the impact of persistently high crude oil and raw materials prices on its plastic related business, the Group will continue to implement cost control measures. Through these measures, the Group also hopes to heighten cost effectiveness of production and enhance overall operational efficiency. Moreover, the Group will step up sales and marketing activities to expand its customer base, attracting especially more large enterprise customers.

The Group will nurture its plastics trading businesses steadily according to plan with the aim of enhancing overall competitiveness and broadening its income streams. It will explore opportunities in the booming PRC market through its two newly set up subsidiaries in Guangzhou and Shanghai.

For the manufacturing segment, including the engineering plastic products and colorants business, the Group will strengthen product testing and provide comprehensive after-sale services to customers so as to enhance product quality and maintain its competitive advantage. At the same time, the Group will develop more new products and new applications for its products in various industries, such as the packaging industry, so as to expand its income sources, and fully realize its production efficiency and economies of scale advantages while satisfying different customer demands. Depending on growth in the number and volume of orders, it may consider adding more production facilities and increasing production capacity.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers. As at 30th June 2007, the Group has available aggregate bank loan facilities of approximately HK$280,025,000, of which approximately HK$175,708,000 have been utilised and were secured by corporate guarantees issued by the Company and legal charges on certain leasehold land and buildings in the PRC and Hong Kong owned by the Group. The Group's cash and bank balances as at 30th June 2007 amounted to approximately HK$59,217,000. The Group's gearing ratio as at 30th June 2007 was approximately 50%, based on the total bank borrowings of approximately HK$164,461,000, together with obligations under finance leases of approximately HK$11,247,000 and the shareholders' funds of approximately HK$351,621,000.

FOREIGN EXCHANGE RISK

The Group's borrowings and cash balances are primarily denominated in Hong Kong dollars, Reminbi and US dollars. The Group's purchases were principally denominated in US dollars. The Group closely monitors currency fluctuations and reduces its exchange risk by entering into forward exchange contracts from time to time.

At 30th June 2007, the Group had maximum outstanding commitments in respect of forward contracts in order to hedge the Group's exposure in foreign currencies from its operations as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Sell HK dollars for US dollars	839,280	886,964

EMPLOYEE INFORMATION

As at 30th June 2007, the Group had approximately 920 full-time employees. The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually. The Group has an incentive scheme which is geared to the profit of the Group and the performance of its employees, as an incentive to motivate its employees to increase their contribution to the Group. The Group also provides social and medical insurance coverage, and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code set out in Appendix 10 to the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited ("HKSE"). Having made specific enquiry to all Directors of the Company, all Directors have confirmed that they had complied with the required standard set out in the Model Code and the Company's code of conduct regarding Directors' securities transactions during the period.

CORPORATE GOVERNANCE PRACTICE

The Company is committed to the establishment of good corporate governance practices and procedures which serve as an important element of risk management throughout the growth and expansion of the Company. The Company emphasizes on maintaining and carrying out sound, solid and effective corporate governance principles and structures.

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout year ended 30th June 2007, except for deviation of the code provisions A.2.1 and A.4.1 of the Code as mentioned below.

According to the code provision A.2.1, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Up to the date of this annual report, the Board has not appointed an individual to the post of chief executive officer. The roles of the chief executive officer have been performed collectively by all the executive directors, including the chairman, of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the continuity of the Company's policies and strategies. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing an individual to chief executive officer when it thinks appropriate.

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to carry out on re-election. The Company's independent non-executive directors were not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's bye-laws.

For the purpose of further enhancing the internal control systems, the Company has engaged an external consultant to carry out an on-going project to conduct independent internal review and to evaluate major operations of the Group. During the year, the Board has received a high level risk assessment from the external consultant and has also reviewed the effectiveness of the internal control system of the Group with no material issues noted.

AUDIT COMMITTEE

The Audit Committee provides an important link between the Board of Directors and the Company's auditors in matters coming within the scope of the group audit. It also reviews the effectiveness of the external audit and of internal controls and risk evaluation. The Audit Committee comprises three Independent Non-executive Directors, namely Mr HO Wai Chi, Paul, Mr FONG Pong Hing and Mr CHAN Dit Lung. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the audited accounts for the year ended 30th June 2007 with the Directors.

REMUNERATION COMMITTEE

The Company has formulated written terms of reference for the Remuneration Committee which stated clearly its authorities and duties in accordance with the requirements of HKSE. The remuneration committee consists of three independent non-executive directors, namely Mr HO Wai Chi, Paul, Mr FONG Pong Hing and Mr CHAN Dit Lung and an executive director, Mr HUI Sai Chung.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and overseeing the remuneration packages of the executive Directors and senior management. It takes into consideration on factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. The Remuneration Committee meets at least once a year to assess the performance and review the annual salaries and bonus of the senior executives. The remuneration committee held one meeting during the year ended 30th June 2007.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE WEBSITE OF HKSE

The final results announcement is published on the websites of HKSE (http://www.hkex.com.hk) and the Company (http://www.nhh.com.hk). The annual report will be despatched to the shareholders and will be available on the websites of HKSE (http://www.hkex.com.hk) and the Company (http://www.nhh.com.hk) in due course.

On behalf of the Board
HUI Sai Chung
Chairman

Hong Kong, 11th October 2007

As at the date of this announcement, the Board of Directors comprises five Executive Directors, namely Mr HUI Sai Chung, Mr HUI Kwok Kwong, Dr WONG Chi Ying, Anthony, Mr LAI Kam Wah and Madam LIU Sau Lai and three Independent Non-executive Directors, namely Mr HO Wai Chi, Paul, Mr FONG Pong Hing and Mr CHAN Dit Lung.