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NGAI HING HONG COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

Website: <https://www.nhh.com.hk>

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30TH JUNE 2026

The Board of Directors (the “Board”) of Ngai Hing Hong Company Limited (the “Company”) would like to announce the audited annual consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30th June 2026 as follows:

Consolidated Income Statement

	Note	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers	2	1,489,736	1,348,511
Cost of sales	5	(1,250,180)	(1,130,020)
Gross profit		239,556	218,491
Other income	3	6,196	6,397
Other losses, net	4	(7,555)	(1,499)
Distribution costs	5	(87,314)	(84,040)
Reversal of loss allowance on trade receivables, net		230	1,546
Administrative expenses	5	(117,249)	(110,753)
Operating profit		33,864	30,142
Finance income		1,414	1,016
Finance costs		(18,553)	(21,688)
Finance costs, net	6	(17,139)	(20,672)
Profit before income tax		16,725	9,470
Income tax expense	7	(14,869)	(8,121)
Profit for the year		1,856	1,349
Attributable to:			
Equity holders of the Company		2,544	339
Non-controlling interests		(688)	1,010
		1,856	1,349
Earnings per share for profit attributable to equity holders of the Company during the year (expressed in HK cents per share)			
– Basic and diluted	9	0.69	0.09

Consolidated Statement of Comprehensive Income

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Profit for the year	<u>1,856</u>	<u>1,349</u>
Other comprehensive income:		
<u>Item that may be reclassified subsequently to income statement:</u>		
Currency translation differences on translation of foreign subsidiaries	26,785	—
<u>Item that will not be reclassified subsequently to income statement:</u>		
Currency translation differences on translation of foreign subsidiaries	<u>493</u>	<u>—</u>
Other comprehensive income for the year	<u>27,278</u>	<u>—</u>
Total comprehensive income for the year	<u><u>29,134</u></u>	<u><u>1,349</u></u>
Total comprehensive income/(loss) attributable to:		
– Equity holders of the Company	29,329	339
– Non-controlling interests	<u>(195)</u>	<u>1,010</u>
	<u><u>29,134</u></u>	<u><u>1,349</u></u>

Consolidated Balance Sheet

		2026	2025
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		103,818	94,944
Right-of-use assets		26,277	23,351
Investment properties		146,864	154,291
Intangible assets		1,867	2,100
Financial asset at fair value through other comprehensive income		2,684	2,684
Financial asset at fair value through profit and loss		6,430	6,176
Deferred income tax assets		8,468	8,442
Deposits and prepayments for property, plant and equipment		5,778	2,131
		<u>302,186</u>	<u>294,119</u>
Current assets			
Inventories		293,123	252,632
Trade and bills receivables	10	300,917	262,461
Other receivables, prepayments and deposits		51,533	28,421
Income tax recoverable		805	600
Restricted bank deposits		39,212	37,185
Cash and cash equivalents		254,062	193,161
		<u>939,652</u>	<u>774,460</u>
Total assets		<u>1,241,838</u>	<u>1,068,579</u>
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		36,920	36,920
Share premium		62,466	62,466
Other reserves		31,577	4,792
Retained earnings		393,617	391,073
		<u>524,580</u>	<u>495,251</u>
Non-controlling interests		<u>34,504</u>	<u>32,779</u>
Total equity		<u>559,084</u>	<u>528,030</u>

		2026	2025
	Note	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		3,233	3,833
Lease liabilities		6,348	4,363
		<u>9,581</u>	<u>8,196</u>
Current liabilities			
Trade and bills payables	11	87,401	82,640
Other payables, deposits received and accruals		30,506	36,252
Lease liabilities		5,668	4,396
Borrowings		537,605	400,045
Derivative financial instruments		20	850
Income tax payable		11,973	8,170
		<u>673,173</u>	<u>532,353</u>
Total liabilities		<u>682,754</u>	<u>540,549</u>
Total equity and liabilities		<u>1,241,838</u>	<u>1,068,579</u>

Notes:

1 Basis of preparation

(i) Compliance with HKFRS Accounting Standards and the disclosure requirements of Hong Kong Companies Ordinance (Cap. 622)

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards (“HKFRS”) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

(ii) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities (including financial asset at fair value through other comprehensive income (“FVOCI”), financial assets at fair value through profit or loss (“FVPL”) and derivative financial instruments) and investment properties which are measured at fair value.

The preparation of consolidated financial statements 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.

(iii) New and amended standards adopted by the Group

The Group has applied the following new standards and amendments to standards for the first time for the annual reporting period beginning on 1st July 2025:

HKAS 21 (Amendment)	Lack of Exchangeability
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The adoption of the above, amendments to standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New and amended standards and interpretations not yet adopted

The following new standards and amendments to standards have been issued but are not effective for the annual reporting periods commencing 1st July 2025 and have not been early adopted by the Group:

HKFRS 9 and HKFRS 7 (Amendment)	Classification and Measurement of Financial Instruments ⁽¹⁾
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 ⁽¹⁾
HKFRS 9 and HKFRS 7 (Amendment)	Contracts Referencing Naturedependent Electricity ⁽¹⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽²⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽²⁾
Hong Kong - Interpretation 5 (2022) (Amendment)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁽²⁾
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

⁽¹⁾ Effective for annual periods beginning on or after 1st January 2026

⁽²⁾ Effective for annual periods beginning on or after 1st January 2027

⁽³⁾ To be determined

The Group has completed an assessment of the impact of the new standards, amendments and interpretations to existing standards. Except for HKFRS 18 mentioned below, no new standards, amendments and interpretations to existing standards will have material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements (“HKFRS 18”) (effective for annual periods beginning on or after 1st January 2027)

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of HKFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
 - Foreign exchange differences currently aggregated in the line item "other losses, net" in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- The line items presented on the primary financial statements might change as a result of the application of the concept of "useful structured summary" and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;
 - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
 - for the first annual period of application of HKFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply HKFRS 18 from its mandatory effective date of 1st January 2027. Retrospective application is required, and so the comparative information for the financial year ending 30th June 2027 will be restated in accordance with HKFRS 18.

2 Revenue from contracts with customers and segment information

	2026 HK\$'000	2025 HK\$'000
Revenue from contracts with customers		
Sales of goods	<u>1,489,736</u>	<u>1,348,511</u>

The Group derived revenue from the sales of goods at a point in time.

Liabilities related to contract with customers

The Group has recognised the following liabilities related to contracts with customers:

	2026 HK\$'000	2025 HK\$'000
Contract liabilities, included in other payables and accruals	<u>4,997</u>	<u>6,155</u>

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2026 HK\$'000	2025 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>6,155</u>	<u>7,753</u>

There are no unsatisfied nor partially unsatisfied performance obligation that has an original expected duration of one year or more.

The Group is principally engaged in the manufacturing and trading of plastic materials, pigments, colorants, compounded plastic resins and engineering plastic products.

The chief operating decision-maker (“CODM”) has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature and the type of products perspective, including the trading of plastic materials (“Trading”), manufacturing and sale of colorants, pigments and compounded plastic resins (“Colorants”), manufacturing and sale of engineering plastic products (“Engineering plastics”) and other corporate and business activities (“Others”).

Each of the Group’s operating segments represents a strategic business unit that is managed by different business unit leaders. Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

The CODM assesses the performance of the operating segments based on a measure of revenue and operating profit including corporate expenses, which is in a manner consistent with that of the consolidated financial statements.

The segment information provided to the CODM for the reportable segments for the year ended 30th June 2026 is as follows:

	Segment				
	Trading	Colorants	Engineering	Others	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>plastics</i> <i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover					
– Gross revenue	1,215,360	506,823	190,526	—	1,912,709
– Inter-segment revenue	(260,274)	(94,375)	(68,324)	—	(422,973)
Revenue from external customers	<u>955,086</u>	<u>412,448</u>	<u>122,202</u>	<u>—</u>	<u>1,489,736</u>
Depreciation of property, plant and equipment	471	9,752	5,839	318	16,380
Depreciation of right-of-use assets	447	5,124	931	207	6,709
Operating profit/(loss)	<u>8,435</u>	<u>34,091</u>	<u>6,046</u>	<u>(14,708)</u>	<u>33,864</u>
Finance income	618	478	318	—	1,414
Finance costs	<u>(16,195)</u>	<u>(1,147)</u>	<u>(1,068)</u>	<u>(143)</u>	<u>(18,553)</u>
(Loss)/profit before income tax	<u>(7,142)</u>	<u>33,422</u>	<u>5,296</u>	<u>(14,851)</u>	<u>16,725</u>

	Segment				
	Trading	Colorants	Engineering plastics	Others	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other information:					
Capital expenditures	703	13,370	15,169	29	29,271
Provision for impairment of inventories	1,319	281	1,683	—	3,283
Reversal of loss allowance on trade receivables	(101)	(129)	—	—	(230)
Fair value gains on derivative financial instruments	(1,383)	—	—	—	(1,383)
Fair value gains on financial asset through profit and loss	—	—	—	(254)	(254)
Fair value losses on investment properties	2,000	111	—	6,400	8,511

The segment information provided to the CODM for the reportable segments as at 30th June 2026 is as follows:

	Segment				
	Trading	Colorants	Engineering plastics	Others	Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment assets	496,727	465,976	136,896	142,239	1,241,838
Segment liabilities	(557,792)	(84,560)	(33,617)	(6,785)	(682,754)

The segment information provided to the CODM for the reportable segments for the year ended 30th June 2025 is as follows:

	Segment				
	Trading <i>HK\$'000</i>	Colorants <i>HK\$'000</i>	Engineering plastics <i>HK\$'000</i>	Others <i>HK\$'000</i>	Group <i>HK\$'000</i>
Turnover					
– Gross revenue	911,849	361,148	134,208	—	1,407,205
– Inter-segment revenue	(54,609)	(2,969)	(1,116)	—	(58,694)
Revenue from external customers	<u>857,240</u>	<u>358,179</u>	<u>133,092</u>	<u>—</u>	<u>1,348,511</u>
Depreciation of property, plant and equipment	447	9,187	5,155	185	14,974
Depreciation of right-of-use assets	313	4,787	982	206	6,288
Operating profit/(loss)	<u>2,446</u>	<u>25,127</u>	<u>12,123</u>	<u>(9,554)</u>	<u>30,142</u>
Finance income	854	144	18	—	1,016
Finance costs	<u>(19,193)</u>	<u>(1,212)</u>	<u>(1,077)</u>	<u>(206)</u>	<u>(21,688)</u>
(Loss)/profit before income tax	<u>(15,893)</u>	<u>24,059</u>	<u>11,064</u>	<u>(9,760)</u>	<u>9,470</u>
Other information:					
Capital expenditures	156	16,512	3,109	2,696	22,473
(Reversal of)/provision for impairment of inventories, net	(5,304)	98	(1,041)	—	(6,247)
Reversal of loss allowance on trade receivables	(505)	(988)	(53)	—	(1,546)
Fair value gains on derivative financial instruments	(360)	—	—	—	(360)
Fair value gains on financial asset through profit and loss	—	—	—	(217)	(217)
Fair value losses/(gains) on investment properties	<u>11</u>	<u>(239)</u>	<u>—</u>	<u>4,170</u>	<u>3,942</u>

The segment information provided to the CODM for the reportable segments as at 30th June 2025 is as follows:

	Segment				Group <i>HK\$'000</i>
	Trading <i>HK\$'000</i>	Colorants <i>HK\$'000</i>	Engineering plastics <i>HK\$'000</i>	Others <i>HK\$'000</i>	
Segment assets	408,873	385,602	132,338	141,766	1,068,579
Segment liabilities	(394,327)	(78,294)	(25,059)	(42,869)	(540,549)

The entity is domiciled in Hong Kong. The revenue from external customers from Hong Kong for year ended 30th June 2026 is approximately HK\$349,002,000 (2025: HK\$291,923,000), and the total of its revenue from external customers from other locations (mainly Chinese Mainland) is approximately HK\$1,140,734,000 (2025: HK\$1,056,588,000).

At 30th June 2026, the total of non-current assets other than financial instruments and deferred tax assets located in Hong Kong is approximately HK\$161,967,000 (2025: HK\$162,586,000), and the total of these non-current assets located in other locations (mainly Chinese Mainland) is approximately HK\$122,637,000 (2025: HK\$114,231,000).

Accounting policies of revenue recognition

Sales of goods are recognised when a group entity has transferred control over products to the customer, the customer has accepted the products, there is no unfulfilled obligation that could affect the customer's acceptance of the products, the amount of sales can be reliably measured and it is probable that future economic benefits will flow to the entity. Revenue from sales is based on the price specified in the sales contracts. Accumulated experience is used to estimate the likelihood and provide for sales return for the goods sold at the time of sale. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3 Other income

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Rental income	6,196	6,397
	6,196	6,397

Outgoings in respect of investment properties that generate rental income amounted to approximately HK\$1,310,000 (2025: HK\$1,295,000).

4 Other losses, net

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Fair value losses on investment properties	(8,511)	(3,942)
Fair value gains on financial asset through profit and loss	254	217
Fair value gains/(losses) on derivative financial instruments		
– Realised	850	(114)
– Unrealised	533	474
Gain on disposal of a subsidiary	—	101
Government grants (Note)	911	1,506
Net exchange (losses)/gains	(1,592)	259
	<u>(7,555)</u>	<u>(1,499)</u>

Note:

During the year ended 30th June 2026, pursuant to Chinese Mainland local government policies, the Group received government grants amounted to RMB820,000 (2025: RMB1,385,000), equivalent to approximately HK\$911,000 (2025: HK\$1,506,000), from Chinese Mainland local government authorities to support the operations in certain Chinese Mainland regions with no special conditions attached.

5 Expenses by nature

	2026 HK\$'000	2025 HK\$'000
Cost of materials and trading stocks	1,149,688	1,046,956
Auditor's remuneration		
– Audit services	2,162	2,158
– Non-audit services	651	695
Amortisation of intangible asset	233	233
Depreciation of property, plant and equipment	16,380	14,974
Depreciation of right-of-use assets	6,709	6,288
Provision for/(Reversal of) impairment of inventories, net	3,283	(6,247)
Losses on disposal of property, plant and equipment	27	152
Employee benefit expenses, including Directors' emoluments	143,957	140,476
Operating lease rentals in respect of buildings	7,032	6,421
Repairs and maintenance expenses	9,644	6,272
Transportation and packaging expenses	28,521	27,061
Travelling and office expenses	8,132	8,093
Utility expenses	17,982	17,181
Other expenses	60,342	54,100
Total cost of sales, distribution costs and administrative expenses	<u>1,454,743</u>	<u>1,324,813</u>
Representing:		
Cost of sales	1,250,180	1,130,020
Distribution costs	87,314	84,040
Administrative expenses	<u>117,249</u>	<u>110,753</u>
	<u>1,454,743</u>	<u>1,324,813</u>

6 Finance income and costs

	2026 HK\$'000	2025 HK\$'000
Finance income:		
– Interest income from bank deposits	806	484
– Net exchange gains on financing activities	<u>608</u>	<u>532</u>
	<u>1,414</u>	<u>1,016</u>
Finance costs:		
– Interest on lease liabilities	(503)	(262)
– Interest on borrowings	<u>(18,050)</u>	<u>(21,426)</u>
	<u>(18,553)</u>	<u>(21,688)</u>
Finance costs, net	<u>(17,139)</u>	<u>(20,672)</u>

7 Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% (2025: 16.5%) on the estimated assessable profit for the year. Taxation on the Group's subsidiaries established and operate in Chinese Mainland have been calculated on the estimated assessable profit for the year at the rate of 25% (2025: 25%), except that certain subsidiaries are subject to preferential tax rates ranging from 5% to 15% (2025: 5% to 15%) and other preferential tax treatments. Two subsidiaries in Dongguan and Xiamen which were certified as High and New Technology Enterprises and are entitled to a concessionary tax rate of 15% for three consecutive years from 2025 to 2027 and 2024 to 2026 respectively. These subsidiaries are entitled to re-apply for the preferential tax treatment when the preferential tax period expires.

The amount of income tax charged to the consolidated income statement represents:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Current income tax:		
Hong Kong profits tax	33	372
Chinese Mainland corporate income tax	15,236	10,897
Under/(over)-provision in prior years	14	(3,562)
	<u>15,283</u>	<u>7,707</u>
Deferred income tax	(414)	414
	<u>14,869</u>	<u>8,121</u>

8 Dividends

- (a) On 27th February 2025, the Directors resolved not to declare any interim dividend for the six months ended 31st December 2024.
- (b) On 29th September 2025, the Directors resolved not to declare any final dividend for the year ended 30th June 2025.
- (c) On 26th February 2026, the Directors resolved not to declare any interim dividend for the six months ended 31st December 2025.
- (d) On 29th September 2026, the Directors resolved not to declare any final dividend for the year ended 30th June 2026.

9 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.

	2026	2025
Profit attributable to equity holders of the Company (HK\$'000)	<u>2,544</u>	<u>339</u>
Weighted average number of ordinary shares in issue	<u>369,200,000</u>	<u>369,200,000</u>
Basic earnings per share (HK cents per share)	<u>0.69</u>	<u>0.09</u>

Diluted

Dilutive earnings per share for the years ended 30th June 2026 and 2025 equal basic earnings per share as there was no dilutive potential ordinary share as at the years ended 30th June 2026 and 2025.

10 Trade and bills receivables

	2026 HK\$'000	2025 HK\$'000
Trade receivables	222,790	200,941
Less: loss allowance	<u>(522)</u>	<u>(726)</u>
	222,268	200,215
Bills receivables	<u>78,649</u>	<u>62,246</u>
	<u>300,917</u>	<u>262,461</u>

The carrying amount of trade receivables are denominated in the following currencies:

	2026 HK\$'000	2025 HK\$'000
HK\$	25,757	19,750
RMB	189,906	167,588
USD	<u>7,127</u>	<u>13,603</u>
	<u>222,790</u>	<u>200,941</u>

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 to 90 days and therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The ageing analysis of the trade receivables based on invoice date were as follows:

	2026 HK\$'000	2025 <i>HK\$'000</i>
Below 90 days	207,646	187,981
91 – 180 days	13,685	11,353
Over 180 days	1,459	1,607
	222,790	200,941

Bills receivable are mainly with maturity period of within 180 days and are denominated in the following currencies:

	2026 HK\$'000	2025 <i>HK\$'000</i>
HK\$	461	411
RMB	78,188	61,835
	78,649	62,246

The carrying value of bills receivable approximates their fair values and there is no recent history of default on bills receivable.

Certain subsidiaries of the Group transferred certain bank's acceptance bills amounting to approximately HK\$57,982,000 (2025: HK\$44,426,000) with recourse in exchange for cash as at 30th June 2026. The transactions have been accounted for as collateralised bank advances.

The maximum exposure to credit risk at the end of the reporting period is the carrying values of the receivables (2025: same). The Group does not hold any collateral as security.

11 Trade and bills payables

The ageing analysis of the trade and bills payables by invoice date is as follows:

	2026 HK\$'000	2025 <i>HK\$'000</i>
Below 90 days	86,069	81,405
91 - 180 days	156	287
Over 180 days	1,176	948
	87,401	82,640

The carrying values of trade and bills payables approximate their fair values, and are denominated in the following currencies:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
RMB	9,578	15,631
USD	<u>77,823</u>	<u>67,009</u>
	<u>87,401</u>	<u>82,640</u>

12 Commitments

Capital commitments

At 30th June 2026, the Group had the following capital commitments for addition of property, plant and equipment:

	2026 <i>HK\$'000</i>	2025 <i>HK\$'000</i>
Contracted but not provided for	<u>9,183</u>	<u>1,441</u>

DIVIDEND

The Directors have resolved not to declare any final dividend for the year ended 30th June 2026.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16th November 2026 to Thursday, 19th November 2026 (both dates inclusive) during which period no transfer of shares will be registered for determining the shareholders of the Company who are entitled to attend and vote at the Annual General Meeting. In order to be eligible to attend and vote at the Annual General 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, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 13th November 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2025/2026, the industry faced a challenging operating environment due to multiple external factors, including persistent uncertainty in China-U.S. relations, instability in the Middle East, fluctuations in plastic material prices, and divergent exchange rate trends. Adhering to a prudent business philosophy, the Group strengthened the foundations of its core businesses, optimised its clientele structure, actively expanded its overseas production footprint, and precisely aligned with demand from emerging industries in a bid to pursue business growth amidst market volatility. For the year ended 30 June 2026, the Group's total turnover reached HK\$1,489,736,000 (2025: HK\$1,348,511,000), a 10.5% increase against last year.

During the year under review, the Group's overall gross profit increased by 9.6% to HK\$239,556,000 (2025: HK\$218,491,000), with gross profit margin down slightly by 0.1 percentage point year-on-year to 16.1%. Profit attributable to equity holders of the Company increased by 650.4% to HK\$2,544,000 (2025: HK\$339,000). Basic earnings per share also rose to HK0.69 cent (2025: HK0.09 cent). Excluding the impact of changes in the fair value of investment properties, the Group's operating profit was approximately HK\$42,375,000 (2025: HK\$34,084,000).

To reserve funds for business development, the Board of Directors does not recommend payment of a final dividend.

During the year, the colorants, pigments and compounded plastic resins business performed outstandingly. While consolidating its competitive advantages in traditional sectors such as automotive applications, food packaging, and new energy, the Group also successfully expanded into emerging customer segments, including electronics and communications, bathroom fittings, and sports products, thereby injecting new growth momentum into this business. Over the past few years, the Group has consistently increased its capital expenditure to upgrade production equipment, build laboratories, and strengthen technical support services, resulting in sustained growth in operating results during the year. Turnover of the colorants, pigments and compounded plastic resins business increased by 15.2% year-on-year to HK\$412,448,000 (2025: HK\$358,179,000), with the gross profit margin improving by 2.0 percentage points year-on-year. Profit before taxation increased significantly by 38.9% to HK\$33,422,000 (2025: HK\$24,059,000).

Regarding the plastic raw materials trading business, the current operating environment has improved, and customers are gradually absorbing the cost pressures resulting from tariffs. Meanwhile, the Group is also actively developing alternative products and expanding new customer sources. During the year, orders from customers in the toy industry showed signs of recovery, driving turnover of this business up by 11.4% year-on-year to HK\$955,086,000 (2025: HK\$857,240,000). Our trading operations have faced challenges brought about by the ongoing geopolitical crisis in the Middle East, which has driven widespread supply chain volatility and increased maritime freight logistics costs across global trade routes. Furthermore, our business has navigated significant fluctuations in global plastic resins prices alongside rapidly evolving international tariff policies, the gross profit margin fell marginally by 0.7 percentage points. Benefiting from the Group's flexible procurement and inventory strategies, loss before taxation narrowed considerably by 55.1% to HK\$7,142,000 (2025: HK\$15,893,000).

The performance of the engineering plastic products business is closely linked to export market sentiment in Europe and the United States. Owing to the impact of tariff policies and geopolitical factors, customers have adopted an increasingly cautious ordering strategy. During the year, this business recorded turnover of HK\$122,202,000 (2025: HK\$133,092,000), with the gross profit margin decreasing by 2.4 percentage points year-on-year. Profit before taxation amounted to HK\$5,296,000 (2025: HK\$11,064,000). The Group will continue to adopt refined cost control, consolidate its existing customer base, and leverage its Southeast Asian sales network to seize development opportunities arising from the market recovery.

Prospects

In the second half of 2026, uncertainties surrounding the political and economic environment, as well as trends in exchange rates and interest rates, will continue to influence the macro industry landscape. The Group will adhere to a prudent financial management approach and a robust business strategy, effectively managing foreign exchange volatility risks through flexible capital management and operational and procurement arrangements. At the same time, the Group will focus on its three core businesses, striving for excellence and operational optimisation. It will also continue to expand its presence in Southeast Asia, leveraging regional synergies to diversify market risks. These measures are designed to strengthen its core competitiveness and support sustainable business development.

The Group will capitalise on market trends in line with the strategic positioning of each business segment. Regarding the colorants, pigments and compounded plastic resins business, the Group will continue to strengthen its relevant R&D and customised technical support capabilities. In terms of the engineering plastic products business, it will continue to refine cost control and leverage its overseas network to capture market opportunities. As for the plastic raw material trading business, the Group will closely monitor trends in crude oil and plastic raw material prices, carefully analyse price cycles, and seize phased operational opportunities.

At the same time, expanding into the ASEAN market remains a long-term strategic priority for the Group. The Group has always recognised the immense potential of the Southeast Asian market and has been progressively implementing its regional expansion strategy in recent years. The Group's sales point in Vietnam was completed at the end of June 2024 and is now operating smoothly, focusing on the plastic raw material trading and engineering plastic products-related businesses. Subsequently, the Group established a Singapore subsidiary in 2025, which is also expected to contribute to the Group's revenue in the future.

During the year, the Group further increased its investment in Southeast Asia by establishing a subsidiary in Thailand, NHH COLTEC THAI CO., LTD., which focuses primarily on colorants, pigments and compounded plastic resins operations. As of the financial year-end date, our new factory site is already actively undergoing extensive pre-work and leasehold improvements. While the building was delivered as a vacant bare shell, we are aggressively executing these structural and utility upgrades to transform the space into our group's first modern factory production site in the ASEAN region. Production is expected to commence formally in the next financial year. The Group plans to replicate the technical capabilities and customer support service experience accumulated at its established domestic production bases at the new plant in Thailand. These ASEAN-region points will form a synergistic network covering key markets in Southeast Asia, combining their strengths to fully unlock complementary business advantages and mitigate operating risks arising from policy volatility in any single market.

Despite the complex interplay of external variables and the multitude of challenges, under the extensive experience of its management team, the hard work and dedication of all employees, and the unwavering support of its customers and shareholders, the Group remains confident in its ability to capture future market recovery opportunities. The Group will pursue progress while ensuring stability, and uphold its long-standing professional and prudent management strategy and pragmatic approach to continue to optimise its product portfolio, clientele structure and overseas production capacity layout, while continuously enhancing its overall risk resilience and industry competitiveness, striving to generate satisfactory returns for all stakeholders.

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 2026, the Group has available aggregate banking facilities of approximately HK\$735,461,000 of which approximately HK\$479,623,000 have been utilised and were secured by corporate guarantees issued by the Company and legal charges on certain property, plant and equipment, leasehold land and land use rights, investment properties and restricted bank deposits in Chinese Mainland and Hong Kong owned by the Group. The Group's cash and cash equivalents as at 30th June 2026 amounted to approximately HK\$254,062,000. The Group's gearing ratio as at 30th June 2026 was approximately 33.6%, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

Details of the Group's capital commitments are disclosed in Note 12.

FOREIGN EXCHANGE RISK

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

At 30th June 2026, the maximum notional amount for the outstanding settlement committed by the Group in respect of forward contracts in order to manage the Group's exposure in foreign currencies from its operations is as follows:

	2026	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sell HK dollars for US dollars	<u>88,920</u>	<u>257,400</u>

EMPLOYEE INFORMATION

As at 30th June 2026, the Group had approximately 649 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 or medical insurance coverage, and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The same remuneration philosophy is applicable to the Directors of the Company. Apart from benchmarking against the market, the Company looks at individual competence, contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Directors similar to those offered to other employees of the Group.

PURCHASE, SALE OR 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 C3 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.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Thursday, 19th November 2026 and the Notice of Annual General Meeting will be published and despatched in the manner as required by the Listing Rules in due course.

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 emphasises on maintaining and carrying out sound, solid and effective corporate governance principles and structures.

The Company has complied with all the applicable code provisions as set out in Corporate Governance Code and Corporate Governance Report to the Appendix C1 of the Listing Rules (the "CG Code") throughout the year ended 30th June 2026, except for the deviation as mentioned below.

According to the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer (chief executive for CG Code) should be separate and should not be performed by the same individual. Up to the date of this Annual Report, the board (the "Board") of directors (the "Directors") of the Company has not appointed any individual to be the chief executive. The roles of the chief executive 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 as chief executive when it thinks appropriate.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 30th June 2026 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

AUDIT COMMITTEE

The Audit Committee of the Company (the “Audit Committee”) provides an important link between the Board and the Company’s auditor 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. CHING Yu Lung, Mr. YU Chi Kwong and Ms. LIU Sau Lai. 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 annual financial statements for the year ended 30th June 2026 with the Directors.

REMUNERATION COMMITTEE

The remuneration committee of the Company (the “Remuneration Committee”) was established on 13th July 2005 with written terms of reference in accordance with the requirements of HKSE. Its written terms of reference were updated in September 2023 to comply with the new requirement of the CG Code. The Remuneration Committee consists of three Independent Non-executive Directors, namely Mr. CHING Yu Lung, Mr. YU Chi Kwong and Ms. LIU Sau Lai 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 four meetings during the year ended 30th June 2026.

NOMINATION COMMITTEE

A nomination committee of the Company (the “Nomination Committee”) was established on 26th March 2012 with written terms of reference in accordance with the requirements of HKSE. Its written terms of reference were updated in June 2025 to comply with the new requirement of the CG Code. The Nomination Committee consists of three Independent Non-executive Directors, namely Mr. CHING Yu Lung, Mr. YU Chi Kwong and Ms. LIU Sau Lai and an Executive Director, Mr. HUI Sai Chung.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board (including the skills, knowledge and experience) on a regular basis and make recommendations to the Board regarding any proposed changes; identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee would review the Board’s composition from time to time where Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of services.

The Nomination Committee meets at least once a year to assess the structure, size and composition of the Board. The Nomination Committee held four meetings during the year ended 30th June 2026 to review the structure, size and composition (including the skills, knowledge and experience) of the Board.

CORPORATE GOVERNANCE COMMITTEE

A corporate governance committee of the Company (the “Corporate Governance Committee”) was established on 26th March 2012 with written terms of reference in accordance with the CG Code. The Corporate Governance Committee consists of all Independent Non-executive Directors, namely Mr. CHING Yu Lung, Mr. YU Chi Kwong and Ms. LIU Sau Lai.

The Corporate Governance Committee is responsible for developing and reviewing the policies and practices on corporate governance of the Group and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Group’s policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and reviewing the Group’s compliance with the CG Code and disclosure in the Corporate Governance Report of the Company.

The Corporate Governance Committee meets at least once a year to review the corporate governance functions. The Corporate Governance Committee held three meetings during the year ended 30th June 2026 to review the corporate governance policy in the Group and recommend the training arrangement on corporate governance to the employees of the Group.

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

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

On behalf of the Board
Ngai Hing Hong Company Limited
HUI Sai Chung
Chairman

Hong Kong, 29th September 2026

As at the date of this announcement, the Board of Directors comprises six Executive Directors, namely Mr. HUI Sai Chung (Chairman), Mr. HUI Kwok Kwong, Mr. NG Chi Ming, Mr. HUI Yan Kuen, Mr. HUI Man Wai and Mr. HUI Yan Lung, Geoffrey, and three Independent Non-executive Directors, namely Mr. CHING Yu Lung, Mr. YU Chi Kwong and Ms. LIU Sau Lai.