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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 2025

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 2025 as follows:

Consolidated Income Statement

	Note	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers	2	1,348,511	1,276,350
Cost of sales	5	(1,130,020)	(1,077,087)
Gross profit		218,491	199,263
Other income	3	6,397	6,651
Other (losses)/gains, net	4	(1,499)	2,634
Distribution costs	5	(84,040)	(81,723)
Reversal of loss allowance on trade receivables		1,546	500
Administrative expenses	5	(110,753)	(109,227)
Operating profit		30,142	18,098
Finance income		1,016	865
Finance costs		(21,688)	(23,601)
Finance costs, net	6	(20,672)	(22,736)
Profit/(loss) before income tax		9,470	(4,638)
Income tax expense	7	(8,121)	(12,195)
Profit/(loss) for the year		1,349	(16,833)
Attributable to:			
Equity holders of the Company		339	(18,041)
Non-controlling interests		1,010	1,208
		1,349	(16,833)
Earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company during the year (expressed in HK cents per share)			
– Basic and diluted	9	0.09	(4.89)

Consolidated Statement of Comprehensive Income

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit/(loss) for the year	<u>1,349</u>	<u>(16,833)</u>
Other comprehensive income:		
<u>Item that will not be reclassified subsequently to income statement:</u>		
Fair value gain of financial asset at fair value though other comprehensive income ("FVOCI")	<u>—</u>	<u>340</u>
Other comprehensive income for the year	<u>—</u>	<u>340</u>
Total comprehensive income/(loss) for the year	<u>1,349</u>	<u>(16,493)</u>
Total comprehensive income/(loss) attributable to:		
– Equity holders of the Company	339	(17,796)
– Non-controlling interests	<u>1,010</u>	<u>1,303</u>
	<u>1,349</u>	<u>(16,493)</u>

Consolidated Balance Sheet

		2025	2024
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		94,944	93,059
Right-of-use assets		23,351	21,850
Investment properties		154,291	158,233
Intangible assets		2,100	—
Financial asset at fair value through other comprehensive income		2,684	2,684
Financial asset at fair value through profit and loss		6,176	5,959
Deferred income tax assets		8,442	9,805
Deposits and prepayments for property, plant and equipment and renovation costs		2,131	5,245
		<u>294,119</u>	<u>296,835</u>
Current assets			
Inventories		252,632	300,277
Trade and bills receivables	10	262,461	243,833
Other receivables, prepayments and deposits		28,421	31,754
Income tax recoverable		600	3,294
Restricted bank deposits		37,185	36,657
Cash and cash equivalents		193,161	104,233
		<u>774,460</u>	<u>720,048</u>
Total assets		<u>1,068,579</u>	<u>1,016,883</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		4,792	7,007
Retained earnings		391,073	390,734
		<u>495,251</u>	<u>497,127</u>
Non-controlling interests		<u>32,779</u>	<u>22,170</u>
Total equity		<u>528,030</u>	<u>519,297</u>

		2025	2024
	Note	HK\$'000	HK\$'000
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities		3,833	4,928
Lease liabilities		<u>4,363</u>	<u>1,344</u>
		<u>8,196</u>	<u>6,272</u>
Current liabilities			
Trade and bills payables	11	82,640	53,478
Other payables, deposits received and accruals		36,252	39,711
Lease liabilities		4,396	5,075
Borrowings		400,045	385,873
Derivative financial instruments		850	736
Income tax payable		<u>8,170</u>	<u>6,441</u>
		<u>532,353</u>	<u>491,314</u>
Total liabilities		<u>540,549</u>	<u>497,586</u>
Total equity and liabilities		<u>1,068,579</u>	<u>1,016,883</u>

Notes:

1 Basis of preparation

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

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) Accounting Standards 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 asset at fair value through profit or loss (“FVPL”) and derivative financial instruments) and investment property which are measured at fair value or revalued amount.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards 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, amendments to standards and interpretation for the first time for the annual period beginning on 1st July 2024:

Hong Kong Accounting Standard (“HKAS”) 1 Classification of Liabilities as Current or Non-current
(Amendment)

HKAS 1 (Amendment) Non-current Liabilities with Covenants

HKFRS 16 (Amendment) Lease Liability in a Sale and Leaseback

Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by
(2022) (Amendment) the Borrower of a Term Loan that Contains a Repayment
on Demand Clause

HKAS 7 and HKFRS 7 (Amendment) Supplier Finance Arrangements

The adoption of the above new standards, amendments to standards and interpretation 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 period beginning on 1st July 2024 and have not been early adopted:

HKAS 21 and HKFRS 1 (Amendment)	Lack of Exchangeability ⁽¹⁾
HKFRS 9 and HKFRS 7 (Amendment)	Classification and Measurement of Financial Instruments ⁽²⁾
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 ⁽²⁾
HKFRS 18	Presentation and Disclosure in Financial Statements ⁽³⁾
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁽³⁾
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 ⁽³⁾
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽⁴⁾

⁽¹⁾ Effective for annual periods beginning on or after 1st January 2025

⁽²⁾ Effective for annual periods beginning on or after 1st January 2026

⁽³⁾ Effective for annual periods beginning on or after 1st January 2027

⁽⁴⁾ To be determined

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

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some paragraphs in HKAS 1 have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the related amendments to other standards, will be effective for annual periods beginning on or after 1st January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated income statement and disclosures in the future consolidated financial statements.

2 Revenue from contracts with customers and segment information

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers		
Sales of goods	<u>1,348,511</u>	<u>1,276,350</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:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities, included in other payables and accruals	<u>6,155</u>	<u>7,753</u>

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

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	<u>7,753</u>	<u>9,005</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 2025 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	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>

	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	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	11	(239)	—	4,170	3,942

The segment information provided to the CODM for the reportable segments as at 30th June 2025 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	408,873	385,602	132,338	141,766	1,068,579
Segment liabilities	(394,327)	(78,294)	(25,059)	(42,869)	(540,549)

The segment information provided to the CODM for the reportable segments for the year ended 30th June 2024 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	831,542	369,295	136,969	—	1,337,806
– Inter-segment revenue	(59,600)	(1,856)	—	—	(61,456)
Revenue from external customers	<u>771,942</u>	<u>367,439</u>	<u>136,969</u>	<u>—</u>	<u>1,276,350</u>
Depreciation of property, plant and equipment	459	8,344	5,338	323	14,464
Depreciation of right-of-use assets	313	4,440	982	206	5,941
Operating (loss)/profit	<u>(16,293)</u>	<u>26,499</u>	<u>12,289</u>	<u>(4,397)</u>	<u>18,098</u>
Finance income	98	747	20	—	865
Finance costs	<u>(20,187)</u>	<u>(1,746)</u>	<u>(1,441)</u>	<u>(227)</u>	<u>(23,601)</u>
(Loss)/profit before income tax	<u>(36,382)</u>	<u>25,500</u>	<u>10,868</u>	<u>(4,624)</u>	<u>(4,638)</u>
Other information:					
Capital expenditures	650	8,616	4,137	7	13,410
(Reversal of)/provision for impairment of inventories, net	(2,096)	(135)	5,692	—	3,461
Provision for/(reversal of) loss allowance on trade receivables	114	(67)	(547)	—	(500)
Impairment for property, plant and equipments	—	—	894	—	894
Fair value gains on derivative financial instruments	(10)	—	—	—	(10)
Fair value loss on financial asset through profit and loss	—	—	—	1,398	1,398
Fair value losses/(gains) on investment properties	<u>261</u>	<u>(1,228)</u>	<u>—</u>	<u>(1,840)</u>	<u>(2,807)</u>

The segment information provided to the CODM for the reportable segments as at 30th June 2024 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	411,697	325,612	127,458	152,116	1,016,883
Segment liabilities	(390,164)	(69,071)	(29,786)	(8,565)	(497,586)

The entity is domiciled in Hong Kong. The revenue from external customers from Hong Kong for year ended 30th June 2025 is approximately HK\$291,923,000 (2024: HK\$341,160,000), and the total of its revenue from external customers from other locations (mainly Mainland China) is approximately HK\$1,056,588,000 (2024: HK\$935,190,000).

At 30th June 2025, the total of non-current assets other than financial instruments and deferred tax assets located in Hong Kong is approximately HK\$162,586,000 (2024: HK\$174,869,000), and the total of these non-current assets located in other locations (mainly Mainland China) is approximately HK\$114,231,000 (2024: HK\$103,518,000).

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Rental income	6,397	6,641
Sundry income	—	10
	<u>6,397</u>	<u>6,651</u>

Outgoings in respect of investment properties that generate rental income amounted to approximately HK\$1,295,000 (2024: HK\$1,778,000).

4 Other (losses)/gains, net

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Fair value (losses)/gains on investment properties	(3,942)	2,807
Fair value gains/(losses) on financial asset through profit and loss	217	(1,398)
Fair value (losses)/gains on derivative financial instruments		
– Realised	(114)	553
– Unrealised	474	(543)
Gain on disposal of a subsidiary	101	—
Government grants (Note)	1,506	1,595
Net exchange gains/(losses)	259	(380)
	<u>(1,499)</u>	<u>2,634</u>

Note:

During the year ended 30th June 2025, pursuant to Mainland China local government policies, the Group received government grants amounted to RMB1,385,000 (2024: RMB1,467,000), equivalent to approximately HK\$1,506,000 (2024: HK\$1,595,000), from Mainland China local government authorities to support the operations in certain Mainland China regions with no special conditions attached.

5 Expenses by nature

	2025 HK\$'000	2024 HK\$'000
Cost of materials and trading stocks	1,046,956	984,384
Auditor's remuneration		
– Audit services	2,158	2,194
– Non-audit services	695	628
Amortisation of intangible asset	233	—
Depreciation of property, plant and equipment	14,974	14,464
Depreciation of right-of-use assets	6,288	5,941
(Reversal of)/provision for impairment of inventories, net	(6,247)	3,461
Losses/(gains) on disposal of property, plant and equipment	152	(566)
Employee benefit expenses, including Directors' emoluments	140,476	134,934
Operating lease rentals in respect of buildings	6,421	7,276
Repairs and maintenance expenses	6,272	5,965
Transportation and packaging expenses	27,061	26,874
Travelling and office expenses	8,093	7,435
Utility expenses	17,181	17,205
Other expenses	54,100	57,842
	<u>1,324,813</u>	<u>1,268,037</u>
Total cost of sales, distribution costs and administrative expenses		
Representing:		
Cost of sales	1,130,020	1,077,087
Distribution costs	84,040	81,723
Administrative expenses	110,753	109,227
	<u>1,324,813</u>	<u>1,268,037</u>

6 Finance income and costs

	2025 HK\$'000	2024 HK\$'000
Finance income:		
– Interest income from bank deposits	484	865
– Net exchange gains on financing activities	532	—
	<u>1,016</u>	<u>865</u>
Finance costs:		
– Interest on lease liabilities	(262)	(328)
– Interest on borrowings	(21,426)	(23,273)
	<u>(21,688)</u>	<u>(23,601)</u>
Finance costs, net	<u>(20,672)</u>	<u>(22,736)</u>

7 Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit for the year. Taxation on the Group's subsidiaries established and operate in Mainland China have been calculated on the estimated assessable profit for the year at the rate of 25% (2024: 25%), except that certain subsidiaries are subject to preferential tax rates ranging from 5% to 15% (2024: 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 2024 to 2026 and 2023 to 2025 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax:		
Hong Kong profits tax	372	335
Mainland China corporate income tax	10,897	14,144
Over-provision in prior years	(3,562)	(234)
	7,707	14,245
Deferred income tax	414	(2,050)
	<u>8,121</u>	<u>12,195</u>

8 Dividends

- (a) On 28th February 2024, the Directors resolved not to declare any interim dividend for the six months ended 31st December 2023.
- (b) On 27th September 2024, the Directors resolved not to declare any final dividend for the year ended 30th June 2024.
- (c) On 27th February 2025, the Directors resolved not to declare any interim dividend for the six months ended 31st December 2024.
- (d) On 29th September 2025, the Directors resolved not to declare any final dividend for the year ended 30th June 2025.

9 Earnings/(loss) per share

Basic

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

	2025	2024
Profit/(loss) attributable to equity holders of the Company (HK\$'000)	<u>339</u>	<u>(18,041)</u>
Weighted average number of ordinary shares in issue	<u>369,200,000</u>	<u>369,200,000</u>
Basic earnings/(loss) per share (HK cents per share)	<u>0.09</u>	<u>(4.89)</u>

Diluted

Dilutive earnings/(loss) per share for the years ended 30th June 2025 and 2024 equal basic earnings/(loss) per share as there was no dilutive potential ordinary share as at the years ended 30th June 2025 and 2024.

10 Trade and bills receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	200,941	206,908
Less: loss allowance	<u>(726)</u>	<u>(4,188)</u>
	200,215	202,720
Bills receivables	<u>62,246</u>	<u>41,113</u>
	<u>262,461</u>	<u>243,833</u>

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

	2025 HK\$'000	2024 HK\$'000
HK\$	19,750	37,404
RMB	167,588	157,213
USD	<u>13,603</u>	<u>12,291</u>
	<u>200,941</u>	<u>206,908</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, unless they contain significant financing components, when they are recognised at fair value. 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:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Below 90 days	187,981	198,199
91 – 180 days	11,353	5,070
Over 180 days	1,607	3,639
	<u>200,941</u>	<u>206,908</u>

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

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
HK\$	411	244
RMB	61,835	40,869
	<u>62,246</u>	<u>41,113</u>

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\$44,426,000 (2024: HK\$25,880,000) with recourse in exchange for cash as at 30th June 2025. 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 (2024: 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:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Below 90 days	81,405	49,774
91 - 180 days	287	2,479
Over 180 days	948	1,225
	<u>82,640</u>	<u>53,478</u>

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	—	30
RMB	15,631	35,152
USD	67,009	18,296
	<u>82,640</u>	<u>53,478</u>

12 Commitments

Capital commitments

At 30th June 2025, the Group had the following capital commitments for addition of property, plant and equipment:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Contracted but not provided for	<u>1,441</u>	<u>2,300</u>

DIVIDEND

The Directors have resolved not to declare any final dividend for the year ended 30th June 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17th November 2025 to Thursday, 20th November 2025 (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, 14th November 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2024/2025, the global political and economic environment remained complex and uncertain, with sluggish external end-market demand prevailing. U.S. tariff policy remained unclear, disrupting the global supply chain structure. This, plus the weak market consumption sentiment, made customers more cautious about placing orders, exerting sustained pressure on the overall operation of the industry. Facing market challenges and industry competition, the Group upheld its prudent business philosophy, continued to optimise its product portfolio, refine clientele structure, seized policy opportunities and advanced diversified layout to navigate the ebbs and flows of the fluctuating market. For the year ended 30 June 2025, the Group's total turnover reached HK\$1,348,511,000 (2024: HK\$1,276,350,000), a 5.7% increase against last year.

During the year under review, the Group's overall gross profit increased by 9.6% to HK\$218,491,000 (2024: HK\$199,263,000), with gross profit margin up slightly by approximately 0.6 percentage point year-on-year to 16.2%. Profit attributable to equity holders of the Company was HK\$339,000 (2024: loss attributable to equity holders of the Company of HK\$18,041,000). Basic earnings per share were HK0.09 cent (2024 basic loss per share of HK4.89 cents). In addition, leveraging its precise operational strategies, the Group recorded profit before income tax of HK\$9,470,000 (2024: loss before income tax: HK\$4,638,000) for the year, achieving a turnaround from loss to gain, with operating performance continuing to improve.

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

Regarding the plastic raw material trading business, the Group actively seized opportunities presented by favorable national policies, leveraging government subsidy programs for industries such as automobiles and home appliances to significantly improve the efficiency of domestic demand turnover, driving expansion in order volume. Despite the dual impacts of sluggish plastic material prices and tariff fluctuations, the Group's sales team was able to drive steady sales growth through strict cost control, cost reduction and efficiency improvement, as well as enhanced market penetration and active expansion of new customer sources, thus achieving a 11.1% year-on-year increase in turnover to HK\$857,240,000 (2024: HK\$771,942,000) for the business, with gross profit margin widening by a slight 1.1 percentage point. Benefiting from profit potential unleashed, loss before taxation narrowed by 56.3% to HK\$15,893,000 (2024: HK\$36,382,000).

During the year, despite the challenges from saturation of domestic production capacity and rising internal production costs, the colorants, pigments and compounded plastic resins business showed strong resilience. Government subsidy policy for the automotive industry also bolstered growth momentum of the business, and the Group capitalised on the policy tailwinds to deepen strategic synergy with customers in the automotive application industry. Traditional businesses, such as food packaging, remained stable and continued to provide solid support to the business. At the same time, by expanding domestic sales channels, the Group successfully maintained its overall production scale in Shanghai and Dongguan, effectively alleviating operating pressure from external market volatility. During the year, turnover of the colorants, pigments and compounded plastic resins business was HK\$358,179,000, decreased slightly by 2.5% as compared to that in the same period last year (2024: HK\$367,439,000), with gross profit margin also comparable to the same period last year. Profit before taxation was HK\$24,059,000 (2024: HK\$25,500,000).

The engineering plastic products business is closely tied to the export market sentiment in Europe and the United States. Affected by tariff policy shocks, some customers tightened ordering strategies, creating periodic pressure on engineering plastic order volumes. In view of that, the Group adopted refined cost control and worked to stabilise its domestic customer base while expanding the overseas one. During the year, the business recorded turnover of HK\$ 133,092,000 (2024: HK\$136,969,000), with gross profit margin increasing by 2.8 percentage points, and profit before taxation up 1.8% year-on-year to HK\$11,064,000 (2024: HK\$10,868,000). The Group believes that once the tariff policy becomes stable, the business is expected to further improve operational efficiency by capitalising on its existing cost advantages and customer base.

PROSPECTS

In the second half of 2025, multiple challenges stemming from geopolitical and economic environment will persist. The Group will adhere to the strategic principle of “seeking progress while ensuring stability”, and implement its layout strategy of “balancing domestic and overseas operations with diversified synergy”. In addition to focusing on and seizing national policy trends to maintain its existing customer base and attract new customers, the Group will also target emerging overseas markets to develop a diversified customer portfolio to mitigate risks from policy fluctuations in any single market.

Currently, affected by geopolitics and market volatility, some customers slowed down their ordering pace. Though the short-term visibility is limited, customer orders have gradually stabilised when compared with the adjustment period in April this year. The Group will strive to steadily increase order volume, taking advantage of the domestic supportive policies. For export orders related to overseas end markets, the Group will actively capture growth opportunities by optimising production flexibility and customer base structure.

The Group’s sales point in Vietnam, completed at the end of June 2024, has now achieved steady operation, which clearly confirms the strong potential of the Southeast Asian market. The Group plans to rationally allocate resources from its existing profitable business and identify regions with a stable investment environment and ample market potential to prepare for the establishment of overseas production bases.

Meanwhile, it will also strengthen development of end-customers in Southeast Asia and Europe to reduce the reliance on the US export chain end, as well as actively explore development opportunities in industries, such as automobiles and home appliances, that enjoy national support, deepening innovation in high-value-added application scenarios to groom new business growth drivers. Through the three-pronged approach of diversifying “origin of production, customer sources and business”, the Group will enhance its risk resistance and improve its sustainable development capabilities.

In addition, as the fluctuations in customer orders also led to frequent adjustments to production schedules, the Group will continue to optimise cost management and production plans to enhance the flexibility of capacity allocation. It will also dynamically adjust inventory strategy to balance the cost advantages of bulk purchasing and the demand for stocking up for urgent orders. In the future, the Group will also continue to adopt its prudent financial management approach and optimise its financing structure to consolidate its capital strength to cope with numerous changes in the market.

Despite the complex and volatile macro environment fraught with challenges, under the leadership of a professional management team and the hard work and dedication of all employees, the Group remains confident in overcoming difficulties. The Group will adhere to its professional and prudent management strategy and pragmatic approach, continuously strengthening product innovation and cost control to steadily enhance core competitiveness. The Group will also be dedicated to promoting synergistic growth in business scale and profitability, striving for the best 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 2025, the Group has available aggregate banking facilities of approximately HK\$662,792,000 of which approximately HK\$355,619,000 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 Mainland China and Hong Kong owned by the Group. The Group's cash and cash equivalents as at 30th June 2025 amounted to approximately HK\$193,161,000. The Group's gearing ratio as at 30th June 2025 was approximately 28.2%, 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.

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 2025, 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:

	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Sell HK dollars for US dollars	<u>257,400</u>	<u>304,200</u>

EMPLOYEE INFORMATION

As at 30th June 2025, the Group had approximately 628 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, 20th November 2025 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 2025, 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 2025 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 draft 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 2025 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 2025.

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 2025 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 2025 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 2025

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.