



KAM HING INTERNATIONAL HOLDINGS LIMITED

錦興國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2307)

ANNOUNCEMENT RELATING TO LISTING RULE 13.18

The Directors announce that the Company, as a guarantor, entered into the Loan Agreement on 15 July 2005 with, inter alios, a syndicate of banks for a 3-year term loan facility of HK\$305,000,000. Under the Loan Agreement, it would be an event of default if (a) Mr. Tai Chin Chun and Mr. Tai Chin Wen, the ultimate controlling shareholder and substantial shareholder respectively of the Company cease to collectively and beneficially own 51% interests in the Company; or (b) any member of the Group or its management, business or operations is not or ceases to be controlled by both of Mr. Tai Chin Chun and Mr. Tai Chin Wen.

The Directors make this announcement in compliance with the general disclosure obligations under rule 13.18 of the Listing Rules.

LOAN AGREEMENT

On 15 July 2005, the Company as a guarantor, entered into the Loan Agreement with, inter alios, a syndicate of banks for a 3-year term loan facility of HK\$305,000,000. The borrower to the Loan Agreement is KH Piece Works, a wholly-owned subsidiary of the Company. The facility under the Loan Agreement is to be used as general working capital of KH Piece Works and to finance the capital expenditure of the Guarantors and their respective subsidiaries.

Under the Loan Agreement, it would be an event of default if (a) Mr. Tai Chin Chun and Mr. Tai Chin Wen, the ultimate controlling shareholder and substantial shareholding respectively of the Company cease to collectively and beneficially own 51% interest in the Company ; or (b) any member of the Group or its management, business or operations is not or ceases to be controlled by both of Mr. Tai Chin Chun and Mr. Tai Chin Wen. Upon the occurrence of an event of default, the lenders may declare that all or part of the loan outstanding together with accrued interest and all other amounts accrued be immediately due and payable; and/or the facility under the Loan Agreement shall immediately be cancelled. As at the date of this announcement, Mr. Tai Chin Chun and Mr. Tai Chin Wen were indirectly holding 60% and 15% of the shareholding interest of the Company respectively.

Given the above, the Directors make this announcement in compliance with the general disclosure obligations under rule 13.18 of the Listing Rules.

DEFINITIONS

Unless the contents in this announcement state otherwise, the following expressions shall have the meaning as set out below:

- “Company” means Kam Hing International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Stock Exchange
- “Controlled” one entity being “controlled” by a person means that the person has the power to appoint and/or remove all or a majority of the members of the board of directors or other governing body of the entity or otherwise controls or has the power of control over the affairs and policies of the entity
- “Directors” means the directors of the Company
- “Group” means the Company and its subsidiaries
- “Guarantors” means the Company, KH Textile and KH Macao
- “KH Macao” means Kam Hing Textile Macao Commercial Offshore Co. Limited, a company incorporated in Macau and a wholly-owned subsidiary of the Company
- “KH Piece Works” means Kam Hing Piece Works Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
- “KH Textile” means Kam Hing Textile (International) Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
- “Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange
- “Loan Agreement” means the term loan agreement dated 15 July 2005 and entered into by (a) KH Piece Works as borrower, (b) the Company, KH Textile and KH Macao as guarantors and (c) a syndicate of banks with respect to a 3-year term loan of a principal amount of HK\$305,000,000
- “Stock Exchange” means The Stock Exchange of Hong Kong Limited

By order of the board of
Kam Hing International Holdings Limited
Tai Chin Chun
Chairman

Hong Kong, 19 July 2005

As at the date of this announcement, the executive Directors are Mr. Tai Chin Chun, Mr. Tai Chin Wen, Madam Cheung So Wan, Madam Wong Siu Yuk and Mr. Chong Chau Lam; and the independent non-executive Directors are Mr. Ku Shiu Kuen Anthony, Madam Chu Hak Ha, Mimi and Mr. Chan Yuk Tong.

“Please also refer to the published version of this announcement in the International Herald Tribune”