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## 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

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 14 September 2009, Hong Kong Wisco Guangxin has successfully bid for the exploration and exploitation right of iron resources in Soalala, Madagascar, Africa with an area of approximately 431.25 square kilometers.

This announcement is made by Kam Hing International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of the Company dated 25 January 2008 in relation to the signing of the cooperation agreements with Wuhan Iron and Steel (Group) Company (武漢鋼鐵(集團)有限公司) (“**Wisco Group**”) for the exploration and exploitation of iron resources in Madagascar (the “**Project**”).

The Board wishes to announce that the joint venture company, Wisco Kam Hing Resources Limited (the “**Wisco Kam Hing**”) between the Group and Wisco Group has been formed (which is owned as to 40% by the Group and as to 60% by Wisco Group) and the Wisco Kam Hing has subsequently set up another joint venture company, Hong Kong Wisco Guangxin Kam Wah Resources Limited (the “**Hong Kong Wisco Guangxin**”) with Hongkong Guangxin Yuehua Resources Developments Company Limited (the “**Guangxin Yuehua**”) (which is an independent third party not connected with the Company and its connected persons within the meaning of the Listing Rules) for the purposes of the Project, the major shareholder of Guangxin Yuehua is the Guangdong Foreign Trade Group Co., Ltd (the “**Guangxin Group**”). The Hong Kong Wisco Guangxin is owned as to 51% by the Wisco Kam Hing and as to 49% by the Guangxin Yuehua.

On 14 September 2009, the Hong Kong Wisco Guangxin has successfully bid for the exploration and exploitation right of iron resources in Soalala, Madagascar, Africa with an area of approximately 431.25 square kilometers (the “**Soalala Region**”) through a global public tender involving more than 20 international companies. Soalala Region is one of the largest iron ore reserve region in Madagascar. It is expected that a binding contract will be entered into between the Hong Kong Wisco Guangxin and the Government of Madagascar within a short period of time. Wisco Group was established in 1955 and is one of the top five largest iron and steel corporation

group in the People's Republic of China (the "PRC"). The shareholder of Wisco Group is the government of the PRC and one of its subsidiaries is WuHan Iron and Steel Company Limited, the issued shares of which are listed on the Shanghai Stock Exchange. Guangxin Group is the largest trading, export and import group in the Guangdong province and is under the leadership of the People's Government of Guangdong Province. Guangxin Group has been engaged in the business of exploitation of zircon in Madagascar, Africa since 2007. It is the understanding between the Group, Guangxin Yuehua and Wisco Group that Wisco Group shall take a leading role in the technology, operation and management of the Project.

As at the date of this announcement, there is no capital commitment on the part of the Company to be contributed towards the Project.

The Board is evaluating and exploring if the Group's equity stakes in the Project would/could be increased. For the avoidance of doubt, there is no agreement whatsoever among the parties to the Wisco Kam Hing or the Hong Kong Wisco Guangxin and no concrete terms have ever been reached in this regard. If this is materialized, the Company will make further announcement as and when required in compliance with the Listing Rules.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 15 September 2009

*As at the date of this announcement, the Board comprises Mr. Tai Chin Chun, Mr. Tai Chin Wen, Ms. Cheung So Wan, Ms. Wong Siu Yuk, Mr. Chong Chau Lam and Mr. Wong Wai Kong, Elmen as executive Directors; and Mr. Chan Yuk Tong, Jimmy, Ms. Chu Hak Ha, Mimi and Mr. Chan Chung Yuen, Lawrence as independent non-executive Directors.*