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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: 02307)

Placing Agent



Shenyin Wanguo Capital (H.K.) Limited

TOP-UP PLACING OF NEW SHARES AND RESUMPTION OF TRADING

THE PLACING AND SUBSCRIPTION AGREEMENT

On 7 December 2009, Exceed Standard entered into the Placing and Subscription Agreement with the Placing Agent and the Company, pursuant to which (i) Exceed Standard agreed to place, through the Placing Agent, the Placing Shares beneficially owned by Exceed Standard to not less than six Placees at a price of HK\$2.00 each on a best efforts basis; and (ii) the Company has conditionally agreed to allot and issue, and Exceed Standard has conditionally agreed to subscribe for the Subscription Shares at a price of HK\$2.00 each.

The Placing is unconditional. The Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and (ii) completion of the Placing pursuant to the terms of the Placing and Subscription Agreement.

The Placing Price of HK\$2.00 represents (i) a discount of approximately 19.68% to the closing price of HK\$2.49 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 15.75% to the average of the closing prices per Share of HK\$2.374 as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was arrived at after arm's length negotiations between the Company, Exceed Standard and the Placing Agent. The Board considers that the Placing Price, the terms of the Placing and Subscription Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Placing Shares represent approximately 8.68% of the existing issued share capital of the Company and the Subscription Shares represent approximately 7.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 June 2009.

The net proceeds of the Subscription, after deduction of the placing commission and other related expenses of approximately HK\$3 million, will be approximately HK\$120 million. The Directors intend to use the net proceeds as general working capital of the Group including but not limited to the project for the exploration and exploitation right of iron resources in Soalala, Madagascar, Africa.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 7 December 2009 at the request of the Company pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 8 December 2009.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date 7 December 2009

Parties

Subscriber Exceed Standard, the controlling Shareholder, being the vendor of the Placing Shares and the subscriber of the Subscription Shares

Placing Agent Shenyin Wanguo Capital (H.K.) Limited, an Independent Third Party, being the placing agent

The Company Kam Hing International Holdings Limited

The Placing Agent has been appointed to place the Placing Shares on a best efforts basis and will receive a placing commission of 2% on the gross proceeds of the Placing. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Placing and Subscription Agreement, (i) Exceed Standard, the controlling Shareholder, agreed to place, through the Placing Agent, Placing Shares held by it to Placees at a price of HK\$2.00 each. The Placing Shares are to be placed by the Placing Agent on a best efforts basis; and (ii) the Company conditionally agreed to allot and issue, and Exceed Standard conditionally agreed to subscribe for Subscription Shares at a price of HK\$2.00 each. Details of the Placing and the Subscription are set out below:

(I) THE PLACING

Placees

Under the Placing and Subscription Agreement, the Placing Shares will be placed by the Placing Agent to not less than six Placees who, together with their ultimate beneficial owners, will be an Independent Third Parties of the Group (though one of the Placees will be a wholly-owned subsidiary of Guangdong Foreign Trade Group Co., Ltd, which is the major shareholder of Hongkong Guangxin Yuehua Resources Developments Company Limited (being one of the joint venture partners for the project of exploration and exploitation of iron resources in Soalala, Madagascar, Africa)). Upon Placing Completion, it is expected that none of the Placees will become a substantial Shareholder immediately after completion of the Placing and the Subscription.

Number of Placing Shares

Up to 61,500,000 Shares, representing approximately 8.68% of the issued share capital of the Company as at the date of this announcement and approximately 7.99% of the Company's enlarged issued share capital immediately after completion of the Placing and the Subscription.

The Placing Shares are to be placed by the Placing Agent on a best efforts basis.

Placing price

The Placing Price of HK\$2.00 per Placing Share represents:

- (i) a discount of approximately 19.68% to the closing price of HK\$2.49 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 15.75% to the average of the closing prices of approximately HK\$2.374 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined and negotiated on an arm's length basis between the Company, Exceed Standard and the Placing Agent with reference to the prevailing market price of the Shares. The Board considers that the Placing Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

After taking into account all the related expenses of the Placing and the Subscription payable by the Company, the net Placing Price is approximately HK\$1.95 per Placing Share.

Completion of the Placing

The Placing is unconditional. The Placing Completion will take place on 10 December 2009 (or such other date as may be agreed by Exceed Standard and the Placing Agent).

Ranking of the Placing Shares

The Placing Shares rank *pari passu* among themselves and with Shares in issue as at the date of this announcement.

(II) THE SUBSCRIPTION

Number of Subscription Shares

Up to 61,500,000 new Shares, which is equivalent to the Placing Shares sold by the Exceed Standard and represents approximately 8.68% of the issued share capital of the Company as at the date of this announcement and approximately 7.99% of the Company's enlarged issued share capital immediately after completion of the Placing and the Subscription.

Subscription Price

HK\$2.00 per Subscription Share, which is equivalent to the Placing Price, was determined and negotiated on an arm's length basis among the Company, Exceed Standard and the Placing Agent. As such, the Board considers that the Subscription Price is in the best interests of the Company and is fair and reasonable so far as the Shareholders are concerned. After taking into account all the related expenses of the Placing and the Subscription payable by the Company, the net Subscription Price is approximately HK\$1.95 per Subscription Share.

Conditions precedent

The Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and
- (ii) completion of the Placing pursuant to the terms of the Placing and the Subscription Agreement.

None of the above conditions can be waived by the parties to the Placing and Subscription Agreement. In the event that the conditions of the Subscription are not fulfilled in full by 18 December 2009, all rights, obligations and liabilities of the Company, the Placing Agent and Exceed Standard in relation to the Subscription shall cease and determine and neither the Company, Exceed Standard and the Placing Agent shall have any claim against each other in respect of the Subscription.

Completion of the Subscription

The Subscription Completion will take place within next Business Day (or such other date as may be agreed by the Company) after the conditions of the Subscription have been fulfilled. The Subscription must be completed on or before 21 December 2009, being 14 days from the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval of the independent Shareholders.

Ranking and rights of the Subscription Shares

The Subscription Shares (when allotted, issued and fully paid) will rank *pari passu* with the Shares in issue on the date of allotment and issue of the Subscription Shares. Holder of fully-paid Subscription Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by reference to a record date falling after the date of allotment of the Subscription Shares.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Termination

If any of the following events occur at any time prior to the date of Placing Completion, the Placing Agent may, by giving a written notice to Exceed Standard and the Company, rescind the Placing and Subscription Agreement:

(A) *if there has come to the notice of the Placing Agent:*

- (i) that any statement contained in this announcement was when this announcement was issued, or has become, untrue, incorrect or misleading in any material respect; or
- (ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this announcement, constitute a material omission therefrom; or
- (iii) any material breach of the undertakings, warranties and representations set out in the Placing and Subscription Agreement; or
- (iv) any material breach of any of the obligations imposed upon any party to the Placing and Subscription Agreement (other than the Placing Agent); or
- (v) any of the undertakings, warranties and representations set out in the Placing and Subscription Agreement would not be true in any material respect if given at that time; or
- (vi) any material adverse change in the business or in the financial or trading position of any member of the Group taken as a whole which is material in the context of the Placing; or

(B) *if there develops, occurs, or comes into effect:*

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an epidemic or event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, whether or not sui generis with any of the foregoing, resulting in

- a material adverse change in, or which might reasonably be expected to result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing; or
- (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Placing Agent, would materially prejudice the success of the Placing; or
 - (iii) any change in conditions of local, national or international securities markets occurs which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong, or the People's Republic of China or any other jurisdiction relevant to the Company and/or its Subsidiaries and if in the reasonable opinion of the Placing Agent any such new law or change would materially and adversely affect the business or financial prospects of the Group and/or materially prejudice the success of the Placing; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the People's Republic of China or elsewhere which would, in the reasonable opinion of the Placing Agent, materially prejudice the success of the Placing; or
 - (vi) any litigation or claim of material importance of any third party being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial prospects of the Group and which in the reasonable opinion of the Placing Agent would materially prejudice the success of the Placing.

General Mandate to issue the Subscription Shares

The issue of the Subscription Shares is not subject to Shareholders' approval.

The Subscription Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 8 June 2009, subject to the limit up to 128,916,600 Shares (representing 20% of the aggregate nominal amount of the share capital of the Company in issue on that date). As the Company has conducted a placing of 30,000,000 new Shares and 30,000,000 non-listed warrants in August 2009, approximately 46.54% of the General Mandate has been utilized. The 61,500,000 Subscription Shares to be allotted and issued further utilises approximately 47.71% of the General Mandate such that immediately following completion of the Subscription, a total of 7,416,600 Shares will remain unissued under such mandate.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted a top-up placing of 30,000,000 new Shares and a private placing of 30,000,000 non-listed warrants in August 2009, raising a gross proceeds of approximately HK\$37.5 million and a net proceeds of approximately HK\$35.9 million. There were additional proceeds from the issue of new Shares upon the exercise of the non-listed warrants of approximately HK\$39.75 million. All the net proceeds raised have been used for the general working capital of the Group which is in line with the announcement issued by the Company dated 10 August 2009.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the manufacturing and selling of knitted fabrics, dyed yarn and garment products, which includes the production processes ranging from cotton spinning, knitting, yarn dyeing, fabric dyeing, final processing and garment manufacturing.

The Board considers that the Placing represents an opportunity to raise additional funds for the Company while broadening the Shareholder and capital base of the Company. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$120 million which will be used as general working capital of the Group including but not limited to the project for the exploration and exploitation right of iron resources in Soalala, Madagascar, Africa.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the Placing Completion but before the Subscription Completion, and immediately after the Placing Completion and the Subscription Completion are as follows:

Shareholders	As at the date of this announcement		Immediately upon Placing Completion but before Subscription Completion		Immediately after Placing Completion and Subscription Completion	
	Shares	%	Shares	%	Shares	%
Exceed Standard (<i>Note 1</i>)	382,600,000	54.00	321,100,000	45.32	382,600,000	49.69
Power Strategy Limited (<i>Note 2</i>)	96,000,000	13.55	96,000,000	13.55	96,000,000	12.47
Chong Chau Lam, an executive Director	300,000	0.04	300,000	0.04	300,000	0.04
Public						
The Placees	0	0.00	61,500,000	8.68	61,500,000	7.99
Existing public Shareholders	229,589,000	32.41	229,589,000	32.41	229,589,000	29.81
Total	<u>708,489,000</u>	<u>100.00</u>	<u>708,489,000</u>	<u>100.00</u>	<u>769,989,000</u>	<u>100.00</u>

Notes:

1. The entire issued share capital of Exceed Standard is beneficially owned by Mr. Tai Chin Chun, the Chairman and an executive Director.
2. The entire issued share capital of Power Strategy Limited is beneficially owned by Mr. Tai Chin Wen, the Chief Executive Officer and an executive Director.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 7 December 2009 at the request of the Company pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 8 December 2009.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, a Sunday or a public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Kam Hing International Holdings Limited, a limited liability company incorporated in the Cayman Islands, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Exceed Standard”	Exceed Standard Limited, a company incorporated in the British Virgin Islands whose entire issued share capital is beneficially owned by Mr. Tai Chin Chun, the Chairman and an executive Director, being the controlling Shareholder holding approximately 54.00% of the existing issued share capital of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2009
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	4 December 2009, being the last trading day for the Shares immediately prior to this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing and Subscription Agreement
“Placing”	the placing, on a best efforts basis, of up to 61,500,000 Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing Agent”	Shenyin Wanguo Capital (H.K.) Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing and Subscription Agreement
“Placing and Subscription Agreement”	the conditional placing and subscription agreement dated 7 December 2009 and entered into among, Exceed Standard, the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$2.00 per Placing Share
“Placing Shares”	up to 61,500,000 Shares to be placed under the Placing
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares pursuant to the Placing and Subscription Agreement

“Subscription Completion”	completion of the subscription for the Subscription Shares in accordance with the terms and conditions as set out in the Placing and Subscription Agreement
“Subscription Price”	HK\$2.00 per Subscription Share
“Subscription Shares”	up to 61,500,000 new Shares to be allotted and issued by the Company to Exceed Standard pursuant to the Placing and Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 7 December 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; Mr. Lee Cheuk Yin, Dannis as non-executive Director; and Mr. Chan Yuk Tong, Jimmy, Ms. Chu Hak Ha, Mimi and Mr. Chan Chung Yuen, Lawrence as independent non-executive Directors.