

[For Immediate Release]



**KAM HING ANNOUNCES 2007 INTERIM RESULTS
TURNOVER & NET PROFIT UP 19.5% & 11.2% RESPECTIVELY**

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**ENHANCED PRODUCTION CAPACITY, IMPROVED R&D CAPACITY &
EFFECTIVE MARKETING STRATEGIES TO DRIVE BUSINESS GROWTH**

Financial Highlights

	<i>For the six months ended 30 June</i>		
	2007 HK\$'000	2006 HK\$'000	Change (%)
Turnover	1,070,513	895,632	+19.5%
Net Profit attributable to shareholders	63,667	57,236	+11.2%
Earnings per share (Basic)	9.9 HK cents	8.9 HK cents	+11.2%

(4 September 2007, Hong Kong) – Kam Hing International Holdings Limited (“Kam Hing” or the “Group”; SEHK stock code: 2307), one of the premier yarn knitting, yarn dyeing and fabric dyeing manufacturers in Hong Kong, is pleased to announce its interim results for the year ended 30 June 2007.

During the reported period, Kam Hing reported satisfactory performance. Turnover of the Group grew by 19.5% to HK\$1,070,513,000, while net profit attributable to shareholder reached HK\$63,667,000, representing an increase of 11.2% over corresponding period of 2006. The growth was mainly attributable to expansion of sales network by obtaining new customers and growth of order from the existing customers as well as the new source of revenue from garment operation. Basic earnings per share increased 11.2% to HK9.9 cents as compared to the same period of last year.

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2007. (six months ended 30 June 2006: nil)

Commenting on the satisfactory interim results, Mr. Tai Chin Chun, Chairman of Kam Hing, said, “We are pleased to announce that we have reported encouraging interim results with satisfactory growth in both turnover and net profit attributable to shareholders. To further strengthen the garment operations and to meet the increasing demand from existing customers’ orders, we established the second garment factory in Madagascar, a country enjoys quota and import duty privileges from the US market, in June 2007 following the first garment factory established in the country at late December 2006. With increased production capacity and the strategic location of our production facilities, we are confident that the garment operations will become a new growth driver of the Group in the near future.”

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Thanks to the effective control cost measures and improvement in production efficiency after the installation of new production facilities last year, the Group was able to achieve a higher gross profit margin of 20.8%, representing an increase of 0.5 percentage point from that of the previous year. However, the increase in operating efficiency was partly offset by the increase in labour cost due to labour shortage and the Renminbi appreciation. During the period, net profit margin was 5.9% which was 0.5 percentage point lowered from the corresponding period last year. This was mainly attributable to the higher operating and administrative cost in the initial stage of the new garment operation as well as Renminbi appreciation.

During the period, the Group continued to strategically consolidated and expanded into various markets. Sales to Singapore, Hong Kong and PRC increased as a result of enhancement of customer services in the regions. On the contrary, sales to Taiwan reduced because the Group intended to shift to other customers with higher profit margin. Sales to other areas, like USA, Korea and Africa increased significantly by approximately 103.5% as compared to the corresponding period last year due to new customers gained in those areas.

Mr. Tai added, "In the second half of 2007, with the aim to sustain the future growth of our core fabric business, the Group will continue to diversity into different markets by supplying fabrics and dyed yarn to new labels and develop new Korea and PRC markets. In addition, the Group will establish a new fabrics factory in Enping, PRC, which will provide addition production capacity and is expected to commence operations in mid 2008. Together with the production commencement of garment factory, it is expected that the revenue will be increased in the future due to the expansion of orders from the existing customers as well as new customers"

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About Kam Hing

Kam Hing is one of the leading yarn knitting, yarn dyeing, fabric dyeing and garment manufacturers in Hong Kong. Through its efficient vertical integrated production facilities in Panyu, Guangdong, the Company has become a preferred partner for many international fashion apparel operators. It is a one-stop-shop for all design, yarn dyeing, knitting, bleaching, fabrics dyeing, setting and finishing processes for finished fabrics as well as garment manufacturing

For further information, please contact:
iPR Ogilvy Ltd.

Natalie Tam / Rayven Chow / Stephanie Yuen

Tel: 2136 6182 / 2136 6953/ 3170 6609

Fax: 3170 6606

E-mail: natalie.tam@iprogilvy.com / rayven.chow@iprogilvy.com /
stephanie.yuen@iprogilvy.com