

**KAM HING INTERNATIONAL ANNOUNCES  
ANNUAL RESULTS FOR YEAR ENDED 31 DECEMBER 2007  
STRONG GROWTH IN ORDERS AND GARMENT BUSINESS  
BOOSTS NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS TO HK\$110.0 MILLION  
DECLARES FINAL DIVIDEND OF HK4.3 CENTS PER SHARE**

(Hong Kong, 22 April 2008) ----- **Kam Hing International Holdings Limited** ("Kam Hing" / the "Group") (Stock Code: 2307) today announces its annual results for the year ended 31 December 2007. Revenue for the year under review was HK\$2,230,764,000 (2006: HK\$2,013,889,000), representing an increase of approximately 10.8% from the previous year. Net profit attributable to shareholders rose approximately 8.8% to HK\$109,960,000 (2006: HK\$101,125,000). Earnings per share was HK\$17.2 cents (2006: HK\$15.8 cents). The gross profit margin maintained at the same level of around 19.7% as in 2006. The Group had cash and cash equivalents of HK\$113,182,000 as at 31 December 2007.

The Board has resolved to recommend the payment of a final dividend of HK4.3 cents (2006: HK4.0 cents) per share for the year ended 31 December 2007.

**Dr. Tai Chin Chun, Chairman of the Group**, said, "Our performance from the core business was encouraging which has reflected in the increase in revenue derived from a strong growth in orders, as well as the growth in the sales of garment products. Besides, we obtained higher value orders that provided better profit margin to partly compensate the increase in outsourcing and staff cost. The two garment factories established in mid-2007 also bolstered our expansion in garment business."

In terms of geographical segments, the Group's turnover mainly came from Singapore, which contributed to approximately 48.3% of the total turnover, while turnover from Hong Kong, the PRC and Taiwan accounted for approximately 14.1%, 9.4% and 8.3% respectively.

During the year, the Group further developed its garment business by enlarging production capacity. Following the establishment of its first garment factory in Madagascar, Africa, in late 2006, the Group set up the second garment factory in Madagascar and the third garment factory in Panyu, the PRC, in mid-2007. The new factories raised the Group's total production capacity from 800,000 pieces at the beginning of 2007 to 1,500,000 pieces per month at the end of 2007.

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To reduce the amount of outsourcing orders and assign extra resources to focus on the high value order with an aim to increase profit margin, the Group expects to commence the production of its second fabric factory in Enping, Guangdong province in the PRC in the third quarter of 2008. The new factory will increase 30% of the Group's overall production capacity.

Besides, the Group has established a fabric R&D centre and a fabric testing centre in Panyu, the PRC. The centres added important value to the Group's success in developing a variety of new fabrics, enhancing its international reputation in the production of quality fabrics and soliciting new customers.

While maintaining its core textile business, the Group also took its first step to diversify into the mining sector to broaden its source of income. Eyeing on the opportunities arisen from the increase in demand in zinc and iron in both the PRC and the world, the Group has acquired the exploration right of a zinc mine in the PRC and an iron mine in the Bekisopa Region of Madagascar.

In January 2008, the Group entered into two cooperation agreements with Wuhan Iron & Steel (Group) Company (武漢鋼鐵(集團)有限公司) (the "WISCO"), the third-largest iron and steel production corporation in the PRC, to form a joint venture company for the exploration and exploitation in the Bekisopa Region of Madagascar, and for the acquisition of another mineral exploration and exploitation in other region of Madagascar. The joint venture will be held beneficially as to 40% by the Group and as to 60% by the WISCO.

"After several years of production process optimization, we believe our heightened production efficiency will help alleviate the negative impact brought by the appreciation of Renminbi and the increasing labour costs in the PRC. We will continue to expand our textile business by increasing the production capacity of our fabric operation and diversifying downstream business to garment manufacturing. We hope this horizontal and vertical diversification will enhance our long-term development and sustain our profitability in the long run." **Dr. Tai** concluded.

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### **About Kam Hing International Holdings Limited (Stock Code: 2307)**

Kam Hing is principally engaged in the manufacturing and sales of finished knitted fabrics, dyed yarns and garment products. The Group currently operates two garment factories in Madagascar, Africa, and a garment factory, a knitted fabric factory together with a fabric R&D center and a fabric testing centre in Panyu, the PRC. In 2007, the Group acquired the exploration right of a zinc mine in the PRC and an iron mine in the Bekisopa Region of Madagascar. It also formed a JV Company in January 2008 with Wuhan Iron & Steel (Group) Company, the third largest iron and steel corporation in the PRC to explore and exploit the Bekisopa Region.