

**KAM HING INTERNATIONAL (STOCK CODE: 2307)
ANNOUNCED INTERIM RESULTS 2008
TURNOVER RECORDED APPROXIMATELY HK\$1.15 BILLION**

(Hong Kong, 16 September 2008) ----- **Kam Hing International Holdings Limited** ("Kam Hing" / the "Group") (Stock Code: 2307) today announces its interim results for the six months ended 30 June 2008. During the period, the Group's revenue increased by approximately 7.6% to HK\$1,151.8 million (2007: HK\$1,070.5 million) when compared to that for the corresponding period in 2007. Gross profit for the period increased by approximately 6.2% to approximately HK\$236.0 million (2007: HK\$222.2 million). Net profit attributable to shareholders decreased by approximately 19.5% to HK\$51.3 million (2007: HK\$63.7 million), which was mainly due to the booking of share options benefit of HK\$8.7 million in accordance with the Hong Kong Financial Reporting Standard for the share option issued in November 2007 as well as the increase in operating cost in the PRC factory. Earnings per share was HK\$8.0 cents (first half of 2007: HK\$9.9 cents).

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2008 (first half of 2007: Nil).

During the period, the Group invested approximately HK\$159.3 million (six months ended 30 June 2007: HK\$102.6 million) in non-current assets, of which approximately 80.7% (six months ended 30 June 2007: 73.1%) was used for the purchase of plant and machinery, approximately 16.5% (six months ended 30 June 2007: 15.9%) was used for the purchase and construction of new factory premises, and the remaining was used for the purchase of other property, plant and equipment, as well as prepaid land lease payments.

Dr. Tai Chin Chun, Chairman of the Group said, "The first half of 2008 was a challenging year for the textile industry. Even we have implemented measures to broaden the customer base, improve the operation efficiency, and reduce cost, the effect was offset by the slowdown of the global economy, the appreciation of Renminbi, as well as the rise in production cost. Nevertheless, thanks to our new research and development centre and the effort of our marketing team, the successful development of new products and new market enabled us to maintain a revenue growth as well as gross profit margin."

During the period, revenue for garment sales increased by 238.7% to HK\$144.3 million from HK\$42.6 million for the same period last year. Customers from Singapore, Hong Kong, the PRC, Taiwan, the USA and other areas accounted for approximately 41.9%, 14.5%, 8.8%, 11.9%, 11.8% and 11.1% of the Group's total revenue respectively. Sales to Taiwan increased by approximately 60.8%, as a result of enhancement of customer services in the region. Sales to the USA increased by approximately 230.9%, mainly attributable to the introduction of new customers for the garment business.

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In view of a slowdown in the global economy, the Group has actively expanded its business in other potential overseas markets with higher profit margin. As one of the steps to broaden the customer base and to enhance competitiveness in the international market, the Group established a marketing subsidiary in Korea in May 2008.

Cotton yarn is the Group's major raw material and its cost has taken up over 50% of the Group's turnover. In order to maintain a stable supply and superior quality of cotton yarn, the Group entered into a joint venture agreement to establish a yarn spinning factory with an independent third party in Hubei province, the PRC in April 2008. The joint venture will be held beneficially as to 25% by the Group and as to 75% by the other independent third party and the Group agreed to contribute a sum of approximately RMB32.5 million to the joint venture. With the spinning function, the Group further realizes vertical integration and the production lead-time and amount of inventory are reduced. This agreement also enhances the efficiency of the Group's production chain and adds another competitive edge to the Group's business.

At the same time, the Group will unceasingly invest resources to enhance the production volume. The new Enping factory in the PRC, which will commence operation in the forth quarter of 2008, will provide additional production capacity to support the continuous expansion of the market. It is expected the production efficiency will be improved and revenue will be increased in the future due to the growth in orders from the existing customers as well as new customers.

"We believe that the market will have less competition in future in light of the recent industry consolidation resulting from the slowdown of the global economy and increase in production cost as well as the tight environmental control by the PRC Government, which will benefit the Group's development in the long run. By further strengthening the garment operation and stabilizing the raw material supply, the establishment of the new marketing subsidiary in Korea as well as the commencement of operation of the new fabric factory in Enping, Guangdong, the PRC, we believe that the Group will be able to maintain its competitive strengths and sustain its growth in the future." **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 as well as marketing subsidiaries in Korea and Singapore. Recently, the Group established a JV company with an independent third party in Hubei province, the PRC, to ensure stable supply of cotton yarns.