



Kam Hing International Holdings Limited (HKSE: 2307)

News Update Q3 2008

Share Price Information: HK\$0.65 (26/9/2008)
Issued Shares: 644,583,000 (31/8/2008)

Free Float Rate: 25.5%

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Company Background

Kam Hing principally engages 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 the Panyu, the PRC as well as marketing subsidiaries in Hong Kong, 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.



Spinning JV in Hubei, the PRC



New Factory in Enping, the PRC

Sales Orders

The Group recorded encouraging results in overall sales orders. There was stable sales growth in threads, yarns, fabrics and garments in Q3 2008 as compared with the same period last year. Business is expected to maintain a stable growth in Q4 2008. We are grateful to receive full order at full capacity production in Q4 as well as October. Similar order growth is expected in November and December.

New Renowned Overseas Buyers

With the effort contributed by the Group's R&D center and the marketing team, several new buyers from the PRC and overseas markets started placing bulk orders in fabrics and garments in Q3 2008. The new buyers include world-renowned brands like Adidas, H&M, Nike, PVH Calvin Klein, Giordano, and Semir.

Research & Development Centre

Set up in July 2007 in the PRC, the R&D centre has operated smoothly and reached its full working capacity in Q3 and October. A number of new products are launched which recorded very promising feedback.

New Spinning Factory in Hubei

The 25:75 new spinning factory established between the Group and an independent third party in Hubei province has commenced operation in July 2008. With the spinning function, not only does it secure the Group's supply and quality of cotton yarn, the efficiency of the Group's production chain is also enhanced. This adds another competitive edge to the Group's business. Factory visit is arranged for guests and bankers to introduce its operation.

New Fabric Factory in Enping

The new Enping factory in the PRC will commence operation in November 2008. It will bring a 30% increase to the Group's production capacity to support the continuous expansion of the market. The new fabric factory will lower the production cost and raise both the production efficiency and revenue of the Group in the future. A factory opening ceremony will be held in November for guests and bankers.