



**Kam Hing Announced 2006 Annual Results
Turnover and Net Profit Up 34% and 28% Respectively**

Share Price Information:

Latest price (7/5/2007) HK\$ 0.85

Total Issued shares (million
shares).....640,000,000

Free Float Rate%.....25%

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2006 Annual Results Recorded Favourable Growth

During the year 2006, Kam Hing reported a satisfactory performance. Revenue of the Group grew by 34.3% to HK\$2,013.9 million, while net profit attributable to shareholder reached HK\$101.1 million, representing an increase of 28.0% over 2005. The growth was mainly attributable to a strong growth in orders from existing customers and new customers in Singapore, Hong Kong and Taiwan, as well as the expanded sales of dyed yarn products. Basic earnings per share increased 28.5% to HK 15.8 cents as compared to previous year.

The Board of Directors recommended the payment of 4.0 HK cents per share as the final dividend for the year ended 31 December 2006. (2005: 3.1 HK cents)

Production Capacity From Madagascar Continued to Increase

Production volume in the base of Madagascar continued to increase and expect to reach full capacity, 1 million pieces per month, in August 2007 since they commenced production in August 2006. More orders from GAP, The Children's Place, Disney and Foot Lockers were received in Q1 2007. Most of the fabric in Madagascar is provided by the Group, providing synergy effect to the Group.

Establishing a New Fabric Factory in Enping, Guangdong

The construction work is underway and the progress is on schedule. The new factory is expected to commence production at early 2008 to provide additional capacity for continuous growth.

Q1 Orders Received Optimistic Growth

Orders maintained on a growing track in Q1 2007. Orders received for fabrics production rose over the same period last year. More orders from Puma and A&F were secured.

With the strong demand from some PRC domestic labels such as Yishion as well as overseas label such as Target, turnover from dyed yarn up approximately 20% over the same period last year.



Company Background

Kam Hing is one of the leading yarn knitting, yarn dyeing and fabric dyeing manufacturers in Hong Kong. Capitalizing on its efficient vertically integrated production facilities in Panyu, Guangdong, the Group has emerged as 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. In addition, they have self-sufficient utility facilities, including water supply, sewage treatment and coal-fire power plant, etc.

Photo Gallery



Knitting



Fabric Dyeing



Heat Setting



Dyed Yarn and Sewing Thread



Knitted and Dyed Fabrics



Garments