【For immediate release】 26 April 2010

KAM HING INTERNATIONAL HOLDINGS LIMITED
錦興國際控股有限公司

Announces 2009 Annual Results

Net Profit increased to HK$83.1million Dividend payout at HK$2.5 cents per share

Financial Highlights

For the 12 months ended 31 December	2009 *HK$ million*	2008 *HK$ million*	Change
Turnover	2,523	2,587	-2.5%
Gross profit	441	482	-8.6%
Profit attributable to ordinary equity holders of the Company	83.1	81.7	+1.7%
Basic Earnings per share (HK cents)	12.5	12.7	-1.6%
Dividend per share (HK cents)	2.5	-	-
Gross Profit Margin (%)	17.5	18.6	-5.9%
Net Profit Margin (%)	3.3	3.2	+3.1%

(26 April 2010 – HONG KONG) Kam Hing International Holdings Limited (the "Company"), is pleased to announce the annual results of the Company and its subsidiaries (collectively, the "Group") for the twelve months ended 31 December 2009 (the "Year").

The Group continues to be a leading company in the global textile market. For the Year, our revenue in manufacturing and sale of fabrics, dyed yarn and garment products slightly decreased by approximately 2.5% to HK$2,523,200,000 (2008: HK$2,586,600,000). Gross profit decreased by approximately 8.6% to HK$440,900,000 (2008: HK$482,300,000) while net profit attributable to ordinary equity holders of the Company increased 1.7% to HK$83,100,100 (2008: HK$81,700,000). The Board has resolved to recommend the payment of a final dividend of HK2.5 cents per share in respect of the year ended 31 December 2009.

The Group maintained sales revenue above HK$2.5 billion, representing a slight decrease of 2.5%. The decline is attributable to the effect of a diminished consumer market and unpredictable buying behavior, which prompted many customers to manage their inventory reserve and procurement orders in a very prudent manner. However, the Group's sheer scale size and good cash flow management helped weathered the credit crunch debacle and in return boosted sales quantities with new clients shifting orders to us due to our better reputation in service delivery. Furthermore, the Group's new marketing office in Korea generated impressive growth in revenue of over 109.3% for the Year and the new influx of clientele revenue significantly lessened the negative sales impact from the financial crisis.

Facing the challenges in the textile and garment industry, Mr. Tai Chin Chun, Chairman of the Company, said, "the Company proactively took advantage of any rare opportunities that surfaced from the ruins. The recent market consolidation as a result of the diminishing market size rendered new business prospects for us who remained, further strengthening our leading market position. We will continue to seek every opportunity in the turbulence and actively look for new clients to further expand our business."

Gross profit margin for the Year has decreased to 17.5% from 18.6% in comparison to the previous year. The decrease is mainly due to the Enping plant generating relatively high operating costs during its preliminary phase. However, as the expansion will be beneficial for long term development, this preliminary expenditure is expected to return in value once operations reach full capacity. In addition, the sharp plunge in market consumption rendered an influx of abrupt orders that required shorter delivery cycles; therefore the Group simultaneously took on higher labour costs to sustain the quality of our services, thereby affecting our overall gross margin. However, along with the subsidence of market panic, the management believes that the buying orders will gradually return to a stable level. At the meantime, proactive research and development in new fabric and design will continue to be initiated by the Group to gain further market share and achieve greater profit margin through the delivery of innovative and high-end products.

Against all difficulties in stabilizing our sales and profit margin in 2009, the Group recorded an encouraging net profit attributable to shareholders of HK$83.1 million, a 1.7% increase from the previous year. This resulted from the Group's management efforts in maintaining strong internal cost control and resources allocations. We understood the importance of sustaining a healthy financial position with the presence of a well managed cash flow system during times of crisis and with dedication to further bringing down capital expenditure and operating expenses; our proactive initiatives were translated into sustained company profits despite decrease in turnover.

Whilst remaining dedicated to our core textile and garment operations, the Group's diversification into the mining industry has reached an important milestone. With encouragement and support from the PRC and Madagascar government, a strategic alliance was formed with Wuhan Iron and Steel (Group) Company and Guangdong Foreign Trade Group Co. Ltd. to develop the Soalala Project and to create the opportunity of bringing more stable iron ore supply into the PRC and other regions. The Group holds 20% equity in the Soalala Project and will oversee the coordination and networking aspect of the project. Coupled with relevant industry expertise from our partners, this unique management structure will contribute substantially to our Group's profitability as well as shareholder value.

Looking into the future, Mr. Tai said, "the Board believes that it will continue to be a challenging year ahead and the turbulent environment in 2009 tested the capacity and well-being of the Group. Whilst expanding our business scope through diversification into the mining industry, we will remain loyal and dedicated to our core textile and garment business by effective capacity utilization, rigorous internal control, product enhancements and product mix improvements, and geographical expansion in the PRC and Asian markets. The Board strongly believes that the Group's dual-growth strategy will further broaden our income source and enhance shareholder value."

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