【For immediate release】 **24 August 2010**

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

Announces 2010 Interim Results

Recovery in core textile business Steady turnover and profit growth

Financial Highlights

For the 6 months ended 30 June	2010 Interim (unaudited) *HK$'000*	2009 Interim (unaudited) *HK$'000*	Change
Turnover	**1,505,557**	1,235,526	+22%
Gross profit	**248,018**	218,116	+14%
Profit attributable to ordinary equity holders of the Company	**49,453**	46,260	+7%
Basic Earnings per share (HK cents)	**6.2**	7.2	-14%

(24 August 2010 – HONG KONG) Kam Hing International Holdings Limited (the "Company", stock code: 2307), is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2010 (the "Period").

The Group continues to be a leading company in the global textile market. For the Period, our revenue in manufacturing and sale of fabrics, dyed yarn and garment products increased by approximately 22% to HK$1,505,557,000 (six months ended 30 June 2009: HK$1,235,526,000). Gross profit increased by approximately 14% to HK$248,018,000 (six months ended 30 June 2009: HK$218,116,000) and net profit attributable to shareholders increased by approximately 7% to HK$49,453,000 (six months ended 30 June 2009: HK$46,260,000). The Board does not recommend the payment of an interim dividend for the Period.

The global economy showed positive signs of recovery during the first half of financial year 2010. Despite the tendency of retailers keeping inventory levels low, the textile and garment industry is expected to slowly stabilize along with increased consumer confidence from markets such as the US and Europe. Against the backdrop of an encouraging market upturn coupled with strong fundamentals and enhanced textile manufacturing facilities in Enping, the Group recorded continuous revenue growth thus further cementing our presence in the textile and garment industry.

Since 2009, the overall textile industry has been overwhelmed by cotton production shortages and export quotas applied to countries such as India and Pakistan, thus material costs were inevitably affected. **Mr. Tai Chin Chun, Chairman of the Company**, said, "during the Period, we employed careful cash flow management and was able to regulate operating contingencies by purchasing cotton yarn beforehand at pre-determined prices thereby "locking in" cotton costs. Furthermore, the Group minimized pressure on our margins by shifting part of the increased material costs to customers. The proactive strategies were beneficial as the motives helped neutralize the impact of rising raw material costs and maintain stable profit margin."

In addition, rising labour and fuel costs have also asserted significant pressure on the PRC operations. During the Period, the Group focused on preserving business momentum and mitigating operational risks by implementing strict internal cost controls to stabilize margin. Further market consolidation is anticipated as rising costs will dissolve companies which are unable to meet the immediate financial burden, especially small and medium enterprises, thereby rendering new business propositions for the Group to pursue in the long run and provide ample room for future market share growth.

Looking ahead, **Mr. Tai Chin Chun** said, "the business outlook for the textile and garment industry is slowly but surely recuperating, therefore the Group is confident that our efficient and flexible one-stop supply chain business model will maintain presence in the global textile market with our future expansions in the PRC. In addition, the management will continue to enforce stringent cost controls to achieve sustainable profitability and further milestones for our shareholders."

For the remaining fiscal year, the Group is committed to penetrating its product portfolio into new consumer segments and is currently considering possible ventures into the production of non-seasonal and high-end products to enhance the year-round utilization of production facilities and labour. In addition, we will also continue appropriate geographical expansion strategies to strengthen our product awareness and exposure in Asia. To cope with future growth opportunities, the Group will extend its manufacturing footprints in the PRC with the establishment of a new garment factory in Enping. The facility is expected to commence operation in the fourth quarter and will target popular domestic brands and retailers.

In parallel with our core textile business, the Group will continue to fortify our expansion strategy into the mining industry. Working collectively with our partners we will actively fulfill our networking duties and ensure the successful completion of the Soalala project.

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For further information, please contact:
Kam Hing International Holdings Limited
Maggie Lee
Tel: (852) 9877 3711
Email: maggie.lee@kamhingintl.com