



Kam Hing International Holdings Limited (HKSE: 2307)

News Update Q2 2008

Share Price Information: HK\$1.05 (26/6/2008)
Issued Shares: 644,583,000 (as at 31/5/2008)

Free Float Rate: 25.5%

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Spinning JV in Hubei, the PRC

Marketing Office in Korea

Textile Business

Significant Growth in Garment Orders

The Group recorded a satisfactory growth in overall orders in terms of price and volume. In Q2 2008, turnover in garment business soared over 200% as compared to the same period of last year.

Broadened Customer Base

Contributed by the continuous effort of the Group's R&D and marketing teams, a number of new customers started placing orders in Q2 2008, including renowned brands such as Esprit, Levi's, Nautica, etc.

Strong Growth Momentum from Garment Business

The Group succeeded to create another business growth driver with aggressive expansion of garment business, which accounted for more than 10% of the Group's total turnover in Q1 & Q2 2008. The proportion will continue to increase in the second half of 2008 with numerous orders on hand.

Active Expansion in Overseas Markets

In view of a slowdown in the US economy, the Group has actively expanded its business in other potential overseas markets. Some new buyers in Korea and Europe already placed order to the Group including Esprit and Levi's. The Group is planning to further explore the PRC market.

New Marketing Office in Korea

In line with the Group's market diversification strategy, the Group set up a marketing office in Korea in May 2008 with an objective of securing a stronger position in the Korean fabric market.



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New Spinning Joint Venture in Hubei, the PRC

Cotton yarn is the Group's major raw material and its cost has taken up over 50% of the Group's turnover. To ensure stable supply and superior quality of cotton yarns, the Group established a new joint venture company with an independent third party in Hubei province, the PRC, in April 2008. The cooperation not only allowed the Group to further realize vertical integration, it also improved its raw material supply chain and overall operational efficiency.

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 Panyu, the PRC. Recently, the Group established a JV company with an independent third party in Hubei province, the PRC, to ensure stable supply of cotton yarns.