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NAM HING HOLDINGS LIMITED

南興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 986)

PROFIT WARNING

This announcement is made by the Company pursuant to rule 13.09 of the Listing Rules.

The Board wishes to announce that a significant loss of the Group for the financial year ended 31 March 2008 is expected due to the recognition of an impairment of the carrying value of certain Group's assets held by subsidiaries situated in the People's Republic of China. As a result of this impairment, the Group's result for the financial year ended 31 March 2008 will be adversely affected.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the "**Board**") of Nam Hing Holdings Limited (the "**Company**", together with its subsidiaries as the "**Group**") wishes to announce that a significant loss for the financial year ended 31 March 2008 is expected due to the recognition of an impairment of the carrying value of certain Group's assets held by subsidiaries situated in the People's Republic of China (the "**PRC**").

* For identification purpose only

The Group has manufacturing factories in the PRC and the carrying value of certain assets which include trademark and property, plant and equipment should be subject to an impairment test under the current financial reporting standards. The management of the Company, having reviewed the operation of such factories and discussed the same with the auditors of the Group, has considered that there is necessity for recognition of such an impairment. As a result, a significant loss may be recorded following the recognition of such impairment of the carrying value of these assets in the financial year ended 31 March 2008.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

As at the date of this announcement, Mr. Lau Kwai, Mr. Lau Chung Yim, Mr. Lau Chung Hung, Mr. Lau Hing Hai and Ms. Lau May Wah are executive Directors; Mr. Chang Tso Tung Stephen, Mr. Leung Hon Ming and Mr. Pravith Vaewhongs are the independent non-executive Directors.

By Order of the Board
Nam Hing Holdings Limited
Lau Chung Yim
Director

Hong Kong, 9 July 2008