

Press Release
For Immediate Release

**KWIH 2015 Underlying Profit Rose 95% to HK\$1.3 Billion
Total DPS Increased to 17 HK Cents
Record Attributable Contracted Sales of HK\$13.5 Billion
Underpins Future Profit**

Financial Highlights

	For the Year Ended 31 December		
	2015	2014	Change
Revenue (HK\$ million)	4,720	2,394	97%
Attributable revenue ¹ (HK\$ million)	6,436	2,816	129%
Underlying profit (HK\$ million)	1,317	676	95%
Profit attributable to equity holders of the Company (HK\$ million)	1,367	1,830	-25%
Basic earnings per share (HK cent)	48.13	65.69	-27%
Final dividend per share (HK cent)	12	10	20%
Total dividend per share (HK cent)	17	15	13%

(Hong Kong — 23 March 2016) **K. Wah International Holdings Limited** (“KWIH” or “the Group”) (stock code: 0173) today announced its annual results for the year ended 31 December 2015.

During the year under review, KWIH achieved remarkable sales performance by launching a number of quality residential projects timely in Hong Kong and Mainland China. During the year, KWIH’s attributable contracted sales¹ reached a record high of HK\$13.5 billion, generating strong cash flow for the Group. HK\$5.0 billion of the contracted sales was recognized in the year and the remaining HK\$8.5 billion is expected to be recognized in the next two years, laying a solid foundation for the Group’s future profit.

KWIH’s underlying profit for 2015 increased by 95% year-on-year to HK\$1.3 billion. Attributable revenue¹ rose by 129% year-on-year to HK\$6.4 billion, contributed mainly by sales income from Grand Summit and Upstream Park in Shanghai, J Wings in Guangzhou, The Summit in Jiangmen, and Mayfair By The Sea I (15% owned by the Group), Providence Bay (15% owned by the Group) and Providence Peak (25% owned by the Group) in Hong Kong, as well as the increase in rental income from recurring income portfolio which mainly comprises Shanghai K. Wah Centre. In 2015, profit attributable to equity holders of the Company amounted to HK\$1.4 billion. Basic earnings per share was 48 HK cents. The Board of Directors recommended to increase the final dividend to 12 HK cents per share, together with the interim dividend of 5 HK cents per share, total dividend

¹ Including joint ventures and associated companies

for the year increased 13% to 17 HK cents.

Dr Lui Che-woo, Chairman of KWIH, said, “Last year was a harvest year for KWIH. With our extensive experience in the property market for more than five decades and thanks to our shrewd strategies, KWIH launched several quality residential projects in a timely manner in Hong Kong and Mainland China despite uncertainties in the macroeconomic environment. The encouraging sales performance lays a solid foundation for our future profit. KWIH will continue to deliver our development plan and introduce quality projects with innovative design in prime locations to attract buyers at an opportune time.”

Seven new projects to come on stage

Hong Kong: The Spectra in Yuen Long and Kai Tak Development Area project

The Spectra, a quality project adjacent to Long Ping Station on the West Rail line and obtained pre-sale consent in early March, commenced sales and has received satisfactory responses. Elsewhere at the Kai Tak Development Area in the East Kowloon city centre, construction of the Group’s solely-developed project is well underway with the pre-sale consent pending for approval. KWIH plans to launch the project by the end of the year the earliest.

Yangtze River Delta: The Palace III and Puxing project, Pudong District, Shanghai, and Maigao Qiao project in Qixia District, Nanjing

Grand Summit in Jingan District and The Palace II in Xuhui District, KWIH’s top-notch luxury residential properties at prime locations in Shanghai, enjoyed enthusiastic market responses since debuts. Sales of both projects were among the top ranks in Shanghai high-end market. This year, the Group plans to launch more units in these two projects and market The Palace III to satisfy market demand. In addition, the Group will launch two projects within well-developed communities with comprehensive ancillary facilities in Puxing, Pudong District of Shanghai and Maigao Qiao, Qixia District of Nanjing respectively.

Pearl River Delta: J Metropolis Phase 4, Guangzhou, and Silver Cove Phase 3, Dongguan

In Guangzhou, phases 2 and 3 of J Metropolis, KWIH’s large-scale quality project in Huadu, and J Wings, a premium project at the city centre of Huadu, generated promising sales last year with over 1,000 units sold in total. Silver Cove in Dongguan has also met with strong market demand in the first quarter of this year with 900 units swiftly sold, bringing the total number of units sold to over 1,150. This year, the Group plans to market J Metropolis Phase 4 and Silver Cove Phase 3, and will continue to launch more units of J Wings.

Adding investment properties to increase recurring income

Since commencing operation in mid-2015, Stanford Residences Jing An, KWIH's serviced apartments at Grand Summit in Shanghai, were highly acclaimed and named Best Located Serviced Apartment and Best Serviced Apartment. With the contribution from this new project, KWIH's recurring income improved by 7% to HK\$460 million last year. KWIH will continue to expand its recurring income portfolio with a plan to increase its GFA from the current 130,000 sqm to 200,000 sqm in two years to enhance the Group's stable income source and cash flow.

Sound financial position with high liquidity and low borrowing cost

KWIH continued to maintain a healthy financial position. As at 31 December 2015, the Group's gearing ratio decreased to 35%. Available funds totalled HK\$12.6 billion, including cash and bank deposits of HK\$4.3 billion and undrawn facilities of HK\$8.3 billion. The Group's average borrowing cost was at a low of 2.8% in 2015. With the lift-off of US interest rate hike cycle, the Group has reduced its debt level with an aim to lower its interest expense.

Replenishment of quality land with strong cash inflow from sales proceeds

KWIH solely secured a parcel of quality residential land in Pak Shek Kok, Tai Po for HK\$3 billion in September last year. The plot is adjacent to several joint venture projects of the Group within a sophisticated community with strong development potential. Currently, the Group's projects launched, under development or planning have a total GFA of approximately 1.5 million sqm and their progress is well underway. With the financial resources generated from the sales proceeds, KWIH will continue to replenish its land bank in Hong Kong and Shanghai in a disciplined manner to sustain the momentum for the Group's business.

Dr Lui concluded, "Despite the ongoing challenges in the global business environment, the property market in Mainland China, particularly in the first-tier cities, should continue to perform well thanks to the easing policies of the Chinese government. KWIH will continue its strategic project launches, while leveraging our strong financials to bring in quality land parcels to sustain our long-term business development and create greater value for our shareholders."

- End -

Photo captions

Photo 1: (From left) Paddy Lui, Executive Director; Dr Lui Che-woo, Chairman; and Alexander Lui, Executive Director of KWIH



Photo 2: Dr Lui Che-woo, Chairman of KWIH



About K. Wah International Holdings Limited (stock code: 173)

K. Wah International Holdings Limited (“KWIH”), the property flagship of K. Wah Group, was listed in Hong Kong in 1987 and is now a constituent stock of the MSCI China Small Cap Index and Hang Seng Composite MidCap Index. An integrated property developer and investor with a foothold in The Pearl River Delta and Yangtze River Delta regions, KWIH encompasses a portfolio of premium residential developments, Grade-A office towers, retail spaces, hotels and serviced apartments. Driven by a keen market sense and a versatile strategy, and backed by strong financial capability, KWIH has built up a sizeable and prime land reserve in major cities of China, and thus a strong foothold for future growth.

KWIH has received several international accolades for its outstanding quality and service. Honoured with Business Superbrands in the property development sector, KWIH was awarded the Top 10 Developers Award by BCI Asia three times and the High-Flyer Outstanding Enterprises twice. Its signature project, Marinella, achieved the Platinum Rating of Final Assessment under the BEAM Plus NB V1.1 of the Hong Kong Green Building Council. In addition, KWIH was voted as the first runner-up under the category of Hong Kong Best Mid-Cap and Best CFO in Hong Kong in Asia’s Best Companies 2013 and 2015 Poll respectively conducted by *FinanceAsia*.

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