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K. WAH INTERNATIONAL HOLDINGS LIMITED
嘉華國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 173)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011

INTERIM RESULTS HIGHLIGHTS

The Board of Directors (“**Board**”) of K. Wah International Holdings Limited (“**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2011 (“**Period**”) as follows:

- Revenue was HK\$864 million (2010: HK\$584 million)
- Profit for the period was HK\$435 million (2010: HK\$180 million)
- Profit attributable to equity holders was HK\$411 million (2010: HK\$157 million)
- Total comprehensive income attributable to equity holders was HK\$1,862 million (2010: HK\$347 million)
- Earnings per share was 16.10 HK cents (2010: 6.35 HK cents)
- Encouraging sales and pre-sales despite competitive market
- All projects are in satisfactory progress

INTERIM DIVIDEND

The Board has declared an interim scrip dividend (with a cash option) for the Period of 2 HK cents per share, totaling HK\$51,062,000, payable on 4 November 2011 to the shareholders whose names appear on the registers of members of the Company at the close of business on 7 October 2011 (2010: an interim cash dividend of 1 HK cent per share, totaling HK\$25,506,000).

Payment of the scrip dividend is conditional upon The Stock Exchange of Hong Kong Limited (“**Exchange**”) granting the listing of and permission to deal in the new shares to be issued as the scrip dividend. It is expected that the share certificates in respect of such shares and the dividend warrants will be posted to those entitled on 4 November 2011. The Company will send a circular to the shareholders containing, among others, details of the proposed scrip dividend.

CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT
For the six months ended 30 June 2011

	<i>Note</i>	(Unaudited) 2011 HK\$'000	(Restated) 2010 HK\$'000
Continuing operations			
Revenue	3	863,735	583,505
Cost of sales		<u>(290,603)</u>	<u>(175,962)</u>
Gross profit		573,132	407,543
Other operating income		24,855	27,492
Other net gains		169,102	16,173
Other operating expenses		(94,489)	(39,972)
Administrative expenses		(181,314)	(134,973)
Change in fair value of investment properties		48,175	20,982
Finance costs		(10,895)	(5,553)
Share of profits of jointly controlled entities		3,234	28,953
Share of losses of associated companies		(1,531)	(29)
Profit before taxation	4	<u>530,269</u>	320,616
Taxation charge	5	<u>(95,060)</u>	(133,032)
Profit from continuing operations		435,209	187,584
Discontinued operation			
Loss from discontinued operation	6	<u>-</u>	<u>(7,423)</u>
Profit for the period		<u>435,209</u>	<u>180,161</u>
Attributable to:			
Equity holders of the Company		410,824	157,290
Non-controlling interests		24,385	22,871
		<u>435,209</u>	<u>180,161</u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share from continuing operations	7		
Basic		16.10	6.57
Diluted		<u>16.03</u>	<u>6.54</u>
Loss per share from discontinued operation			
Basic		-	(0.22)
Diluted		<u>-</u>	<u>(0.22)</u>
Earnings per share from operations			
Basic		16.10	6.35
Diluted		<u>16.03</u>	<u>6.32</u>
		<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend	8		
Interim dividend		<u>51,062</u>	<u>25,506</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2011

	(Unaudited) 2011 <i>HK\$'000</i>	(Restated) 2010 <i>HK\$'000</i>
Profit for the period	<u>435,209</u>	<u>180,161</u>
Other comprehensive income:		
Change in fair value of non-current investments	1,264,126	168,984
Change in fair value of land and buildings transferred to investment properties	-	4,132
Exchange differences	<u>208,176</u>	<u>23,658</u>
Other comprehensive income for the period, net of tax	<u>1,472,302</u>	<u>196,774</u>
Total comprehensive income for the period	<u>1,907,511</u>	<u>376,935</u>
Total comprehensive income attributable to		
Equity holders of the Company	1,862,352	347,126
Non-controlling interests	<u>45,159</u>	<u>29,809</u>
	<u>1,907,511</u>	<u>376,935</u>

CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2011

		(Unaudited) 30 June 2011 HK\$'000	31 December 2010 HK\$'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Property, plant and equipment		568,190	492,383
Investment properties		4,483,499	4,565,479
Leasehold land and land use rights		16,581	16,288
Jointly controlled entities		2,726,913	2,608,155
Associated companies		1,255,157	1,193,796
Non-current investments		2,690,736	1,426,610
Deferred taxation assets		43,921	35,149
Other non-current assets		103,462	99,176
		<u>11,888,459</u>	<u>10,437,036</u>
Current assets			
Development properties		10,123,243	9,460,026
Debtors and prepayments	9	218,482	124,623
Tax recoverable		1,711	1,631
Structured bank deposits		455,964	155,130
Cash and bank balances		3,138,101	3,079,871
		<u>13,937,501</u>	<u>12,821,281</u>
Total assets		<u>25,825,960</u>	<u>23,258,317</u>
EQUITY			
Share capital		255,303	255,082
Reserves		11,819,289	9,953,423
Shareholders' funds		<u>12,074,592</u>	<u>10,208,505</u>
Non-controlling interests		963,044	896,919
Total equity		<u>13,037,636</u>	<u>11,105,424</u>
LIABILITIES			
Non-current liabilities			
Borrowings		5,736,011	5,661,799
Deferred taxation liabilities		845,651	808,206
		<u>6,581,662</u>	<u>6,470,005</u>
Current liabilities			
Amounts due to jointly controlled entities		67,198	67,218
Creditors and accruals	10	3,441,122	1,521,794
Current portion of borrowings		2,132,252	3,417,200
Tax payable		566,090	676,676
		<u>6,206,662</u>	<u>5,682,888</u>
Total liabilities		<u>12,788,324</u>	<u>12,152,893</u>
Total equity and liabilities		<u>25,825,960</u>	<u>23,258,317</u>
Net current assets		<u>7,730,839</u>	<u>7,138,393</u>
Total assets less current liabilities		<u>19,619,298</u>	<u>17,575,429</u>

NOTES

1. Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2011 has been prepared under the historical cost convention, as modified by the revaluation of investment properties and non-current investments, which are carried at fair value and in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2010 which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies and methods of computation used in the preparation of the condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2010, except as stated below.

The adoption of revised HKFRSs

In 2011, the Group adopted the revised accounting standards, amendments and interpretations of HKFRSs below, which are relevant to its operations.

HKAS 24 (Revised)	Related Parties Disclosures
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

HKICPA’s annual improvements to certain HKFRSs published in May 2010 :

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
HKAS 32 (Amendment)	Financial Instruments : Presentation
HKAS 34 (Amendment)	Interim Financial Reporting
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 (Amendment)	Financial Instruments : Disclosures

The Group has assessed the impact of the adoption of these revised standards, amendments and interpretations and considered that there was no significant impact on the Group’s results and financial position nor any substantial changes in the Group’s accounting policies and presentation of the condensed consolidated interim financial information.

Standards and amendments to existing standards that are not yet effective

		Effective for accounting periods <u>beginning on or after</u>
HKAS 1 (Amendment)	Presentation of Financial Statements	1 July 2012
HKAS 19 (Amendment)	Employee Benefits	1 January 2013
HKAS 27 (2011)	Separate Financial Statements	1 January 2013
HKAS 28 (2011)	Investments in Associates and Joint Ventures	1 January 2013
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Transfer of Financial Assets	1 July 2011
HKFRS 9	Financial Instruments	1 January 2013
HKFRS 10	Consolidated Financial Statements	1 January 2013
HKFRS 11	Joint Arrangements	1 January 2013
HKFRS 12	Disclosure of Interests in Other Entities	1 January 2013
HKFRS 13	Fair Value Measurements	1 January 2013

1. Basis of preparation (Cont'd)

The Group has not early adopted the above new standards and amendments, which are relevant to its operations and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the condensed consolidated interim financial information will result.

2. Segment information

The Group is principally engaged in property development and investment in Hong Kong, Mainland China and Singapore. The Group ceased to carry on trading of plant and machinery in Japan following the disposal of a subsidiary on 3 October 2010. In accordance with the internal financial reporting of the Group provided to the chief operating decision-maker for the purposes of allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are property development and property investment. The Group regards the Board of Directors as the chief operating decision-maker.

The results of the operating segments represent the adjusted earnings before interest, tax, depreciation, amortisation and certain items (the "Adjusted EBITDA"). Certain items include other operating income/expenses, other gains/losses and change in fair value of investment properties. Also the Adjusted EBITDA excludes the share of results of jointly controlled entities and associated companies. There are no sales or trading transactions between the operating segments. Others represent corporate level activities including central treasury management and administrative function.

Segment assets primarily consist of property, plant and equipment, leasehold land and land use right, deferred taxation assets, other non-current assets, properties, debtors and prepayments, tax recoverable and cash, deposits and bank balances and other assets mainly include non-current investments and other non-operating assets held by the corporate office. Segment liabilities comprise mainly creditors and accruals, amounts due to jointly controlled entities, borrowings, current and deferred taxation liabilities. Other liabilities included liabilities not arising from the operation of the operating segments.

2. Segment information (Cont'd)

	Continuing operations						Discontinued operation
	Property development			Property investment	Others	Total	
	Hong Kong	Mainland China	Others				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2011							
Revenue	670,634	37,921	22,014	133,166	-	863,735	-
Adjusted EBITDA	406,405	(20,830)	11,383	112,152	(111,035)	398,075	-
Other income and expenses/gains, net						(65,568)	-
Gain on disposal of an investment property				165,036		165,036	-
Depreciation and amortisation						(6,257)	-
Change in fair value of investment properties				48,175		48,175	-
Finance costs						(10,895)	-
Share of profits of jointly controlled entities	(1,650)	4,884				3,234	-
Share of losses of associated companies	(1,531)					(1,531)	-
Profit before taxation						530,269	-
Taxation charge						(95,060)	-
Profit for the period						435,209	-
As at 30 June 2011							
Segment assets	1,506,770	12,283,524	78,709	4,682,355	-	18,551,358	
Other assets	-	-	-	-	3,292,532	3,292,532	
Jointly controlled entities	2,011,194	715,719	-	-	-	2,726,913	
Associated companies	1,255,157	-	-	-	-	1,255,157	
Total assets	4,773,121	12,999,243	78,709	4,682,355	3,292,532	25,825,960	
Total liabilities	2,220,676	8,968,825	18,045	1,544,251	36,527	12,788,324	
Six months ended 30 June 2010 (Restated)							
Revenue	178,946	279,418	-	125,141	-	583,505	33,490
Adjusted EBITDA	91,531	156,396	(648)	111,178	(82,069)	276,388	(7,105)
Other income and expenses/gains, net						3,693	(76)
Depreciation and amortisation						(3,818)	(73)
Change in fair value of investment properties				20,982		20,982	-
Finance costs						(5,553)	(169)
Share of profits of jointly controlled entities	1,408	27,545				28,953	-
Share of losses of associated companies	(29)					(29)	-
Profit/(loss) before taxation						320,616	(7,423)
Taxation charge						(133,032)	-
Profit/(loss) for the period						187,584	(7,423)
As at 31 December 2010							
Segment assets	1,726,852	10,902,290	72,774	4,811,657	-	17,513,573	
Other assets	-	-	-	-	1,942,793	1,942,793	
Jointly controlled entities	1,911,729	696,426	-	-	-	2,608,155	
Associated companies	1,193,796	-	-	-	-	1,193,796	
Total assets	4,832,377	11,598,716	72,774	4,811,657	1,942,793	23,258,317	
Total liabilities	2,746,973	7,731,998	26,120	1,599,727	48,075	12,152,893	

2. Segment information (Cont'd)

Geographical segment information

The Group operates in three (2010: four) main geographical areas, including Hong Kong, Mainland China and Singapore.

The revenue for the six months ended 30 June 2011 and 2010 and total non-current assets as at 30 June 2011 and 31 December 2010 by geographical area are as follows:

Revenue

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Continued operations		
Hong Kong	682,086	190,782
Mainland China	150,449	383,184
Singapore	31,200	9,539
	<u>863,735</u>	<u>583,505</u>
Discontinued operation		
Japan	-	33,490
	<u>863,735</u>	<u>616,995</u>

Non-current assets

	30 June 2011 <i>HK\$'000</i>	31 December 2010 <i>HK\$'000</i>
Continued operations		
Hong Kong	6,456,164	5,220,720
Mainland China	5,239,388	5,036,504
Singapore	192,907	179,812
	<u>11,888,459</u>	<u>10,437,036</u>

3. Revenue

	2011 <i>HK\$'000</i>	(Restated) 2010 <i>HK\$'000</i>
Sale of properties	730,569	458,364
Rental income	133,166	125,141
	<u>863,735</u>	<u>583,505</u>

4. Profit before taxation

	2011	(Restated) 2010	
	Continuing operations <i>HK\$'000</i>	Continuing operations <i>HK\$'000</i>	Discontinued operation <i>HK\$'000</i>
Profit before taxation is stated after crediting:			
Net exchange gains	4,109	15,939	-
Interest income	22,765	14,968	6
Gain on disposal of property, plant and equipment	-	12	-
Gain on disposal of an investment property	165,036	-	-
and after charging :			
Cost of inventories sold	-	-	27,015
Cost of properties sold	281,393	166,632	-
Depreciation (net of capitalisation)	6,208	3,464	73
Amortisation for leasehold land and land use rights	49	354	-
Exchange losses	-	-	101
Operating lease rental for land and buildings	712	604	497
Loss on disposal of property, plant and equipment	43	-	-

5. Taxation charge

	2011	(Restated) 2010
	<i>HK\$'000</i>	<i>HK\$'000</i>
Current		
Hong Kong profits tax	52,203	9,777
Mainland China		
- Income tax	17,858	49,604
- Land appreciation tax	9,810	74,506
Overseas	1,942	430
(Over)/under provision in previous years	(201)	1,448
Deferred	13,448	(2,733)
	95,060	133,032

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward. Assessable profits generated in Mainland China and overseas have been provided at the rates of taxation prevailing in Mainland China and overseas in which the Group operates.

Land appreciation tax in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, and is included in the profit and loss statement as taxation charge.

6. Discontinued operation

	2010 HK\$'000
Revenue	33,490
Cost of sale and operating expenses	(40,913)
Loss before taxation	(7,423)
Taxation	-
Loss from discontinued operation	(7,423)

The discontinued operation represented the trading of plant and machinery carried out in Japan, which ceased to be a subsidiary since October 2010.

7. Earnings per share

The calculation of basic and diluted earnings per share for the period is based on the following:

	Continuing operations		Discontinued operation	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Profit for calculation of basic and diluted earnings per share	<u>410,824</u>	162,857	<u>-</u>	<u>(5,567)</u>
			Number of shares	
			2011	2010
Weighted average number of shares for calculating basic earnings per share			2,551,612,000	2,475,090,000
Effect of dilutive potential ordinary shares			11,225,000	14,417,000
Share options				
Weighted average number of shares for calculating diluted earnings per share			<u>2,562,837,000</u>	<u>2,489,507,000</u>

8. Dividend

The Board has declared an interim scrip dividend (with a cash option) of HK\$51,062,000 (being 2 HK cents per share) (2010: an interim cash dividend of 1 HK cent per share, totaling HK\$25,506,000). This dividend will be accounted for as an appropriation of revenue reserve in the year ending 31 December 2011.

9. Debtors and prepayments

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Trade debtors, net of provision	7,799	7,072
Other debtors, net of provision	60,105	52,590
Land deposits, net of impairment	9,706	9,706
Prepayments and other deposits	140,872	55,255
	<u>218,482</u>	<u>124,623</u>

9. Debtors and prepayments (Cont'd)

Trade debtors mainly comprise rental receivable. Rental from tenants is due and payable in advance.

The aging analysis of the trade debtors of the Group based on the date of invoices and net of provision for bad and doubtful debts is as follows:

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Within one month	7,681	7,019
Two to three months	77	11
Four to six months	-	42
Over six months	41	-
	7,799	7,072

10. Creditors and accruals

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Trade creditors	219,659	340,476
Other creditors	34,546	44,757
Amounts due to non-controlling interests	52,248	124,407
Accrued operating expenses	60,500	52,247
Advanced proceeds on sale of properties	2,985,861	862,790
Rental deposits received	88,308	97,117
	3,441,122	1,521,794

The aging analysis of the trade creditors of the Group based on the date of invoices is as follows:

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Within one month	219,659	340,476

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Operating Results

Revenue and net profit for the period ended 30 June 2011 were HK\$864 million and HK\$435 million respectively, as compared to the restated amount of HK\$584 million and HK\$180 million respectively. The revenue was mainly derived from the sales of The Great Hill, Westwood Phase II and the rental income of Shanghai K. Wah Centre.

Property Development and Investment in Mainland China

Despite a highly competitive market in Shanghai, the Group launched three blocks of Westwood Phase III in the latter part of last year. Subsequently, an additional block launched in March 2011 due to good response received from the market. The sales were again encouraging with over RMB2 billion contracted sales revenue which will bring remarkable profits to the Group upon completion of the project. For the investment properties, Shanghai K. Wah Centre maintained a high occupancy rate with attractive rentals during the period. The existing development projects are on schedule with good progress.

Property Development and Investment in Hong Kong

The property market in Hong Kong remained active during the first half of 2011. The completed property of the Group, The Great Hill, continued to have sales concluded with satisfactory prices. Almost all the remaining units were sold. Another luxury residential project Chantilly, located in mid-levels east, is ready for sales. We also completed the disposal of the entire block of Skyline Centre in June 2011, an investment property located in Sheung Wan, resulting in a net gain of approximately HK\$165 million. Other existing development projects were progressing well as planned.

Investment in Galaxy Entertainment Group Limited (“GEG”)

The Group continues to hold its investment in GEG which is being carried at fair value. As of 30 June 2011, the share price of GEG increased to HK\$16.56 per share as compared to HK\$8.78 per share as of 31 December 2010. The substantial change in fair value of approximately HK\$1,264 million gain was recorded as an increase in reserve.

Outlook

Although regulatory measures and policies have been introduced to contain inflation and prevent asset bubbles, the domestic economy is strengthened by local consumer spending in China and supported by the policies on boosting household income in the 12th 5-year plan. Despite the recent stock market adjustment, the Group is cautiously optimistic about the economy in Hong Kong and Mainland China. We will watch closely to the changing environment and keep reviewing our sales and marketing plan as well as construction progress in order to pursue the best interests of the Group.

FINANCIAL REVIEW

(1) Financial Position

The financial position of the Group remained strong. As of 30 June 2011, total funds employed increased to approximately HK\$21 billion (31 December 2010: HK\$20 billion).

The number of the issued shares of the Company increased as a result of certain share options being exercised during the period. The dilution effect is minimal.

(2) Liquidity and Gearing Ratio

Cash and bank balances as of 30 June 2011 was HK\$3,594 million and the gearing ratio, defined as the total loans outstanding less cash and bank balances and deposits to total assets excluding cash and bank balances and deposits, stayed at a satisfactory level of 19 %.

In June 2011, the Group successfully obtained a syndicated loan of HK\$1,470 million with a consortium of nine international and local banks. Part of the syndicated loan will be used for refinancing, while the remaining will serve as general working capital enhancing the Group's liquidity.

The Group's liquidity and gearing ratio stayed at a healthy level and the Group has sufficient funds to meet its working capital and project development requirements.

(3) Treasury Policies

The Group continues to adopt a conservative approach regarding foreign exchange exposure, which is managed to minimise risk. The majority of the Group's borrowings are in Hong Kong dollar. Forward foreign exchange contracts are utilised when suitable opportunities arise and when considered appropriate, to hedge against foreign exchange exposures. Interest rate swap contracts may also be utilised when considered appropriate to avoid the impact of any undue interest rate fluctuation on the operation. During the period, the Group has not engaged in the use of derivative products.

(4) Charges on Group Assets

As of 30 June 2011, certain subsidiaries of the Group pledged assets (comprising investment properties, development properties, leasehold land and land use rights and buildings) with aggregate carrying values of HK\$10,023 million (31 December 2010: HK\$10,621 million) to banks to secure the Group's borrowing facilities.

(5) Guarantees

The Company has executed guarantees in favour of banks and financial institutions in respect of facilities granted to certain subsidiaries, jointly controlled entities and associated companies amounting to HK\$6,569 million (31 December 2010: HK\$7,094 million), HK\$2,521 million (31 December 2010: HK\$2,521 million) and HK\$1,650 million (31 December 2010: HK\$1,650 million) respectively, of which HK\$5,474 million (31 December 2010: HK\$6,414 million), HK\$1,622 million (31 December 2010: HK\$1,622 million) and HK\$1,054 million (31 December 2010: HK\$1,054 million) have been utilised respectively.

The Company has executed a guarantee in favour of the HKSAR Government in respect of the performance obligation of an investee company under a contract with the HKSAR Government.

EMPLOYEES AND REMUNERATION POLICY

As of 30 June 2011, the Group, excluding its associated companies and jointly controlled entities, employs 444 employees in Hong Kong, the Mainland China and Singapore. Employee costs, excluding Directors' emoluments, amounted to approximately HK\$123 million for the period under review.

The Group believes its success, long-term growth and development depend upon the quality, performance and commitment of its employees. The Group's remuneration policy aims to offer competitive remuneration packages to attract, retain and motivate competent individuals. The Group believes the remuneration packages of its employees are fair, reasonable and competitive in relation to comparable organizations in the areas in which the Group operates its principal business.

Following approval by the shareholders in 1989, the Group has put in place a share option scheme for its executives and employees for the purposes of providing competitive remuneration package as well as retaining talents in the long term. Likewise in the Mainland China, employees' remuneration is commensurate with market pay levels and the Group puts emphasis on the provision of training and development opportunities.

CORPORATE GOVERNANCE

During the Period, save for code provisions A.2.1 and A.4.2, the Company has complied with all the code provisions in the Code on Corporate Governance Practices set out in the Appendix 14 to the Rules Governing the Listing of Securities ("*Listing Rules*") on the Exchange. The Board believes that the underlying rationale for such deviations, as mentioned under the section headed "COMPLIANCE WITH APPENDIX 14 OF THE LISTING RULES" in the Corporate Governance Report of its 2010 Annual Report, still holds. The Board will continue to review and recommend such steps and action as appropriate in the circumstances of such deviations.

CHANGES IN THE BOARD

The Board welcomes the appointment of Mr. Au Man Chu as an independent non-executive director and a member of the Audit Committee of the Company with effect from 25 August 2011 and the appointment of Mr. Wong Kwai Lam as an independent non-executive director and a member of the Remuneration Committee of the Company with effect from 26 August 2011, bringing their substantial valuable experience to the Group.

AUDIT COMMITTEE

The Audit Committee of the Company has met on 19 August 2011 and reviewed the Company's accounting principles and practices and discussed auditing, internal control and financial reporting matters. The Group's unaudited interim results for the Period have been reviewed by the Audit Committee of the Company and by the Company's Independent Auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's securities during the Period.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members will be closed from 3 October 2011 to 7 October 2011, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 30 September 2011.

PUBLICATION OF FURTHER INFORMATION ON WEBSITE

This announcement will be published on the Company's website (www.kwih.com) and the Exchange's designated issuer website (www.hkexnews.hk). The 2011 Interim Report containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Company and the Exchange in late September 2011.

DIRECTORS

As at the date of this announcement, the Executive Directors are Dr. Che-woo Lui (*Chairman & Managing Director*), Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah and Ms. Claudia Cheung Man Wan; the Non-executive Director is Dr. Moses Cheng Mo Chi; and the Independent Non-executive Directors are Dr. Robin Chan Yau Hing, Mr. Robert George Nield, Dr. William Yip Shue Lam, Professor Poon Chung Kwong and Mr. Au Man Chu.

By Order of the Board of
K. Wah International Holdings Limited
Lee Wai Kwan, Cecilia
Company Secretary

Hong Kong, 25 August 2011