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(incorporated in Bermuda with limited liability)
(Stock Code: 173)

**REDEMPTION OF THE OUTSTANDING
0.50% GUARANTEED CONVERTIBLE BONDS DUE 2009
BY K. WAH INTERNATIONAL FINANCE LIMITED**

The Company has redeemed all outstanding 0.50 per cent. Guaranteed Convertible Bonds due 2009 on 23 March 2009.

Reference is made to the announcements of K. Wah International Holdings Limited (“**Company**”) dated 25 February 2004, 27 February 2004, 18 March 2004 and 23 March 2004 (“**Announcements**”) in relation to the issue of HK\$864,260,000 0.50 per cent. Guaranteed Convertible Bonds due 2009 (“**Bonds**”) by K. Wah International Finance Limited, (“**Issuer**”, an indirect wholly-owned subsidiary of the Company) which are convertible into ordinary shares of HK\$0.10 each in the share capital of the Company (“**Shares**”) and guaranteed by the Company. Terms used in the Announcements shall have the same meanings when used herein, unless otherwise defined.

The terms and conditions of the Bonds provide that the Issuer will redeem each Bond at 91.49% of the principal amount on 23 March 2009, being the Maturity Date. The Bonds were listed on the Luxembourg Stock Exchange in 2004 and the initial conversion price of the Bonds was HK\$2.25 per Share. The conversion price of the Bonds was adjusted to HK\$1.88 per Share in November 2005 and was further adjusted to HK\$1.86 per Share in January 2008 due to the payment of special interim dividends.

The Company has redeemed all outstanding principal of Bonds of HK\$20 million (“**Redemption**”) at 91.49% of the principal amount per Bond on the Maturity Date. The total outstanding principal amount of the Bonds redeemed is HK\$20 million and the principal amount on Redemption (being HK\$20 million at 91.49%) is HK\$18,298,000. Together with accrued interest, the total amount paid by the Company on the Maturity Date is HK\$18,347,580 which was financed by internal funding.

The Company considers that there will be no material impact on its financial position as a result of the Redemption. As a result of the Redemption, the Bonds will automatically be withdrawn from the official list of the Luxembourg Stock Exchange. The Global Certificate in respect of the outstanding Bonds would be surrendered to the Issuer upon payment in full of the redemption monies and accrued interests.

By Order of the Board of
K. Wah International Holdings Limited
Ricky Chan Ming Tak
Company Secretary

Hong Kong, 23 March 2009

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 and Mr. Lam Kwong Yu; the Non-executive Director is Mr. Michael Leung Man Kin; and the Independent Non-executive Directors are Sir David Akers-Jones, Dr. The Hon. Leo Lee Tung Hai, Dr. Robin Chan Yau Hing, Mr. Robert George Nield and Dr. William Yip Shue Lam.

Website: <http://www.kwih.com>