

For immediate release

**KWIH Announces 2010 Interim Results
Profit Attributable to Shareholders
Reaches HK\$155 million**

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**Core Businesses Enjoy Steady Development
Projects in China and Hong Kong Progress as Scheduled**

Financial Highlights

- Turnover: HK\$617,000,000 (2009: HK\$1,089,000,000)
- Gross profit: HK\$414,000,000 (2009: HK\$608,000,000)
- Profit attributable to shareholders: HK\$155,000,000 (2009: HK\$155,000,000)
- Basic earnings per share: 6.25 HK cents (2009: 6.27 HK cents)
- Interim dividend: 1 HK cent per share
- NAV per share: HK\$3.62

(Hong Kong, 24 August 2010) – **K. Wah International Holdings Limited** (“KWIH” or the “Group”) (stock code: 173) today announced its interim results for the six months ended 30 June 2010.

During the period under review, the Group recorded a turnover of HK\$617,000,000 (2009: HK\$1,089,000,000) which was mainly attributable to the sales proceeds generated from Shanghai Westwood II and The Great Hill in Hong Kong as well as rental income from investment properties such as Shanghai K. Wah Centre. Profit attributable to shareholders amounted to HK\$155,000,000 (2009: HK\$155,000,000). Basic earnings per share were 6.25 HK cents (2009: 6.27 HK cents). The Board recommended the payment of an interim dividend of 1 HK cent per share (2009: 1 HK cent per share).

Dr Che-woo Lui, Chairman of KWIH, said, “In the first half of this year, the core businesses of KWIH has continued to develop steadily. Riding on our reputation which underpins our superb quality and the brand value of K. Wah, Shanghai Westwood II and The Great Hill in Hong Kong continued to enjoy enthusiastic response from the market and thus contributed solid profits to the Group. Recently, Shanghai Westwood II garnered another Gold award in International Quality category of The Most Popular Property Awards in Shanghai, which further testifies the premium quality and value of our projects. In executing our strategy, we have adhered to prudent financial and risk management to maintain our healthy financial position.”

Projects in China and Hong Kong progress as scheduled and will be launched in a timely manner subject to market conditions

The Group’s projects in Hong Kong, Shanghai and Guangzhou have been progressing according to schedule. The Group plans to launch these projects in the second half of this year and early next year depending on market conditions.

Hong Kong: Shiu Fai Terrace, The Great Hill and the luxury residential project in Welfare Road, Sham Wan put to market at an opportune time

Low interest rates and limited luxury residential supply in Hong Kong continue to create a favourable backdrop for the Group's marketing of luxury residential projects. Depending on market conditions, the Group plans to market seven houses and 19 apartments in **The Great Hill** in the second half of this year. As the luxury residential property supply is relatively scarce on Hong Kong Island, the Group also plans to launch **6 Shiu Fai Terrace project at Mid-levels East** on an as-is basis. This meticulously designed project, with a GFA of approximately 6,340 sqm, provides 24 large low density luxury residential units each of more than 3,500 square feet. The pre-sale consent application for the **luxury project on Welfare Road, Sham Wan** has been submitted in April. Subject to Government approval, the project is scheduled for sale by end of this year. The project has a GFA of approximately 60,000 sqm, providing more than 400 luxury sea-view residential units each of more than 1,000 to 5,000-square-feet.

In addition, construction of **the Pak Shek Kok project in Tai Po** and **the Hoi Wang Road project in West Kowloon** have commenced and are scheduled for launch in 2011. Planning for the two recently acquired sites at **30 Po Shan Road in Mid-levels** and **2 Gramplan Road in Kowloon** is underway and the projects are expected to come onto the market in 2012 and beyond.

Shanghai: Accelerate the completion of Shanghai Westwood III and Minhang District Projects to meet rising market demand for mid-to-top range residential properties

In view of the strong market demand for mid-to-top range residential properties, apart from putting to market 31 suites and three-bedroom residential units in **Shanghai Westwood II**, the Group also plans to advance the debut of four blocks of high-end residential units in **Shanghai Westwood III** during the fourth quarter of 2010 subject to market conditions. The latter project occupies a GFA of approximately 100,000 sqm, comprising about 1,000 units within four blocks of residential buildings and one block of serviced apartments.

Two luxury residential developments in Jingan District and Xuhui District, located in heart of the city, are progressing smoothly. As their potential appreciation values are high, the Group plans to launch at the appropriate time during the first half of 2011 to maximize value. The Group also aims to accelerate completion of the **Shanghai Minhang District Residential-cum-Commercial Project** to satisfy the market demand for mid-range residential properties. Phase One of the project is expected to be launched in 2011.

In addition, the Group acquired a plot at Zhujiajiao, Qingpu earlier this year. This **Zhujiajiao, Qingpu District Project**, occupying a GFA of approximately 70,000 sqm, is planned to be developed into low-density residential properties and commercial amenities. The Group expects to launch the project in 2012 and beyond.

Guangzhou: Huadu Airport CBD Project on schedule and will be launched in the 4th quarter of 2010

The construction of **Huadu Airport CBD Project** is well under way. The Crown Plaza Guangzhou Huadu and the premium office building in Phase I are both expected to have construction completed in the fourth quarter of this year, which will further optimize the Group's development and investment portfolios. The **Jianshebei Road Project** in Guangzhou is planned to be developed into a luxury residential area. The project, with a GFA of 46,000 sqm in total, is expected to finish construction and be launched in 2011. In addition, the first phase of the **Guangzhou Huadu Mega Integrated Project** is to be launched in the market from 2011 onwards.

Premium land reserve and healthy financial position to support the Group's continued growth momentum

In order to replenish the land bank for future development, the Group has acquired four quality land plots in Hong Kong and Shanghai through sole proprietorship or joint venture since the end of 2009. They include: **2 Grampian Road, Kowloon; 30 Po Shan Road, Hong Kong Island; Lot No. 201, Pak Shek Kok, Tai Po; and Plot B3 and B4, Zhujiajiao, Qingpu District, Shanghai.** At the same time, the Group has increased its stake in **Shanghai K. Wah Centre** to about 70%, which enables the Group to continue its growth momentum.

The Group enjoys a healthy financial position with a gearing ratio of 34%. The available fund is approximately HK\$3 billion, which would be sufficient to finance future business development.

Dr Lui concluded, "Looking ahead, we now have more than 10 projects under planning and development. We have also acquired four land plots in Hong Kong and Shanghai through sole proprietorship or joint venture in a timely manner since the end of 2009 and increased our stake in Shanghai K. Wah Centre to about 70%. Thus, we are confident the Group can fully utilize its development capability focusing on property development and investment in Hong Kong and Mainland China and its abundant land resources to achieve sustainable development in the future, and realize better returns for shareholders."

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Photo Caption (from left to right)

Mr. Eymon Tsang , Director – Corporate Finance

Ms. Paddy Lui, Executive Director

Mr. Alex Lui, Executive Director

KWIH Announces 2010 Interim Results



Photo Caption
Ms. Paddy Lui, Executive Director



Photo Caption
Mr. Alex Lui, Executive Director

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

K. Wah International Holdings Limited, listed in Hong Kong in 1987, is the property flagship of K. Wah Group. KWIH aims at establishing a position of large-scale integrated property developer and investor in the Greater China region. With a property portfolio encompassing premium residential developments, Grade-A office towers, retail spaces, hotels and serviced apartments, KWIH has a presence in Hong Kong, Shanghai, Guangzhou and Southeast Asia. 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. Awarded Business Superbrands in the property development sector in 2006, KWIH was also the only winner in the Hong Kong Property Developer category of the High-Flyer Outstanding Enterprises consecutively in 2006 and 2007.
Company website: <http://www.kwih.com>

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