

Press Release
[For Immediate Release]

**KWIH Announces 2022 Interim Results
Profit Attributable to Equity Holders
Increased 39% to HK\$1,081 Million**

* * * * *

**Total Attributable Contracted Sales in 1H 2022
Reaches HK\$12.4 Billion
Underpinning Solid Future Profitability**

(Hong Kong, 24 August 2022) **K. Wah International Holdings Limited** ("KWIH" or "the Group") (stock code: 00173) today announced its unaudited interim results for the six months ended 30 June 2022.

During the period under review, KWIH launched multiple premium projects and recorded satisfactory sales as a result of its sound and shrewd strategies. For the six months ended 30 June 2022, the Group's attributable contracted sales amounted to approximately HK\$12.4 billion, which is expected to be accounted for in the next one to two years, underpinning the Group's future profitability. The Group's total attributable revenue during the period under review amounted to approximately HK\$5.8 billion, mainly from the property sales of K. Summit and Solaria in Hong Kong and Bayview in Dongguan, and the rental income of Shanghai K. Wah Centre, etc. Profit attributable to equity holders amounted to approximately HK\$1,081 million. Underlying profit amounted to approximately HK\$1,063 million. Having considered the amount of contracted sales yet to be recognised and the development progress of various projects, the Board of Directors remains confident in maintaining the Group's long-term business growth and had declared an interim dividend of 7 HK cents, thus continuing to bring stable returns to shareholders.

Global supply chain was disrupted with inflation rates hitting new highs globally in the first half of 2022, prompting many countries to kick start their interest rate hike cycles. Along with the uncertainties brought by geopolitical tensions, business environment continues to be challenging. The Hong Kong property market continued to be volatile amid the local COVID-19 outbreak, and many cities in the Mainland were also affected by the outbreak at times, which severely disrupted their economic activities. Coupled with the consequential effects of Chinese developers' debt crisis, the Mainland property market remained uncertain. Nevertheless, KWIH timely launched premium projects in Hong Kong and the Mainland during the period under review, achieving satisfactory sales results.

Satisfactory sales results

Handover of presold units of K. Summit, Hong Kong, to buyers started in December 2021 with the majority of the contracted sales recognised upon which completed in 2021. On the other hand, contracted sales of approximately HK\$3.1 billion was recognised in the first half of 2022 upon handover of the remaining sold units. As of the end of June 2022, over 95% of the total units had been sold. The large-scale joint-venture project, Grand Mayfair I & II,

MTR Kam Sheung Road Station in Yuen Long, were launched for sale in April 2022 and were well received by the buyers. As of the end of June 2022, about 95% of around 1,430 units launched had been presold, generating attributable contracted sales of over HK\$4.1 billion. Another large-scale joint-venture project, Villa Garda, MTR LOHAS Park Station in Tseung Kwan O, was also launched in phases since the end of June 2022 with an enthusiastic market response. As of the end of July 2022, over 90% of around 640 units launched in Villa Garda I & II had been presold, generating attributable contracted sales of over HK\$1.5 billion. In addition, Grand Victoria, the harbourfront project in South West Kowloon, had been launched in phases since March 2021 and recorded satisfactory results.

In the first half of 2022, despite many cities in the Mainland being affected by the pandemic from time to time, the Group was able to grasp the windows in launching a number of premium projects, which recorded satisfactory sales. In January, the Group launched the residential portion of the joint-venture residential/commercial project, located on Siping Road in Hongkou District in Shanghai. All units were taken up on its debut for a total attributable sales amount of RMB2.1 billion. In addition, Navale, located in Pudong New District in Shanghai, was launched this June, offering over 100 residential units. All launched units were taken up on its debut as well, generating a total sales amount of around RMB1.5 billion. Situated in Jiangning District in Nanjing, Cavendish was completed at the end of 2021 and obtained the pre-sale consent at the end of this February. The project was then immediately launched to the market and recorded satisfactory results, achieving contracted sales of around RMB1.1 billion. Furthermore, Sierra, the residential portion of Phase I of the Group's mega comprehensive development project in Jianye District, Nanjing was first launched for sale in June. As of the end of July, over 95% of the units in the three blocks launched had been taken up, generating sales amount of about RMB1.4 billion.

In the Pearl River Delta region, handover of the presold units of Bayview in Dongguan to buyers began at this June end. The relevant contracted sales of around HK\$1.1 billion had been recognised in the first half of 2022 upon handover of the sold units. The Group will launch its remaining units for sale subject to market conditions. The sales performance of Cosmopolis, Phase I of Cosmo in Huadu District, Guangzhou, J City in Jiangmen and other joint venture projects remained stable during the period under review.

Projects to be launched

Hong Kong: Kai Tak Area 4A Site 1 and 2 Projects, and Villa Garda III in Tseung Kwan O, 2 Grampian Road in Kowloon

Several joint venture projects are expected to be newly launched, among which pre-sale consent for Phase 1 of Kai Tak Area 4A Site 1 had been obtained while the applications had been made for Phase 2 of the project and Phases 1-4 of Kai Tak Area 4A Site 2. In addition, the pre-sale consent for Villa Garda III in Tseung Kwan O had been obtained and it will be launched subject to market conditions. 2 Grampian Road, located in a traditionally prestigious residential area of Kowloon, offers five premium house units of over 4,000 sq. ft. each. The project is open to potential buyers for visit and it is launched as completed properties through tenders.

Mainland China: Sierra in Nanjing and Avanti in Suzhou

In the Yangtze River Delta region, the remaining blocks of Sierra in Jianye District in Nanjing will be launched as planned upon obtaining pre-sale consent. The construction of the project is making good progress and it is expected to be completed in phases starting from 2024. The first batch of residential units of Avanti in National Hi-tech District in Suzhou had been launched this June.

The Group will closely monitor market changes and continue to put the remaining units of the launched projects to the market, including K. Summit and Solaria in Hong Kong, Cavendish in Nanjing, VETTA in Suzhou, J City in Jiangmen and other joint venture projects. The Group's projects are being developed as scheduled and the Group will continue to launch its projects in a timely manner.

Landbank replenishment in prudent yet proactive manner

KWIH has been upholding a prudent approach to acquire premium land parcels via various strategies and means, including by sole ownership or joint venture, in Hong Kong and Mainland China. In addition to tendering, the Group also seeks new investment opportunities through urban redevelopment. This February, the Group partnered with a Guangzhou Huangpu District government-owned company for an urban redevelopment project in the district. Moreover, the Group solely won a tender for a prime residential site on Hospital Road, Hong Kong Island this July.

At present, the Group has a landbank of a total attributable GFA of approximately 1.6 million sq. m. in Hong Kong and Mainland China for development. The Group will continue to proactively seek new investment opportunities for future development to sustain its growth while appropriately managing land costs.

Expanding investment property portfolio

The Group has been proactively expanding its investment property portfolio to enlarge its recurring income and cash flow base. As of the end of June 2022, the attributable GFA of the Group's portfolio of properties for investment amounted to approximately 280,000 sq. m. The pandemic has inevitably dealt a blow to the business activities of the Group's retail tenants and hotel operation in Hong Kong and Mainland China. During the period under review, rental (including hotel) income declined by 6% year-on-year to approximately HK\$340 million. During the period under review, KWIH provided short-term rent concessions to tenants who were more negatively affected to alleviate their operational and financial pressure.

In respect of commercial facilities, the average occupancy rate at Shanghai K. Wah Centre and EDGE in Shanghai reached 98% and 100% respectively. Average occupancy rate of J SENSES, the speciality retail and dining complex in Hong Kong, reached 97%. On the other hand, the pre-leasing activities of Cosmo Avenue, the shopping mall at the mega integrated development Cosmo, and the Wuyi Road urban redevelopment project, WYSH, are underway. Both projects are expected to be completed in 2023.

For serviced apartments and hotel, Stanford Residences Jing An and Xu Hui in Shanghai maintained a high occupancy rate of around 90% on average. The occupancy rate of Crowne Plaza Guangzhou Huadu also maintained stable during the period under review.

Maintained sound financial position

KWIH maintained a solid financial position. As of 30 June 2022, the Group's net gearing ratio dropped to 18%. Cash and bank deposits amounted to approximately HK\$6.8 billion and undrawn bank loans amounted to approximately HK\$20 billion. The Group has sufficient funds to capture investment opportunities, providing solid momentum for future business development.

Outlook

Looking ahead to the second half of this year, global economy growth slows down, inflation and interest rate hikes persist, Sino-US relationship remains tense, geopolitical situation and other uncertainties continue to cast a shadow over the business environment. Nevertheless, as the underlying demand for residential properties by potential buyers remains, it is believed that Hong Kong and the Mainland property markets will remain stable. KWIH remains cautiously optimistic about the mid-to-long-term development of the local and Mainland property markets.

- End -

About K. Wah International Holdings Limited (stock code: 00173)

K. Wah International Holdings Limited ("KWIH"), listed in Hong Kong in 1987, is the property flagship of K. Wah Group. An integrated property developer and investor with a foothold in Hong Kong, the Yangtze River Delta and Pearl River Delta regions, KWIH encompasses a portfolio of large-scale residential communities and comprehensive development undertakings such as premium residential developments, Grade-A office towers, hotel and serviced apartments, and retail premises. Cresleigh Property, the property management arm of KWIH, delivers exceptional hotel serviced property management services guided by advanced and international standards in general to premium residential buildings, commercial facilities, office towers and real estate complexes. Driven by a keen market sense and a versatile strategy, and backed by strong financial capability, KWIH has built up a prime land reserve in major cities of China, and thus a strong foothold for future growth.

KWIH is a constituent stock of the Hang Seng Composite SmallCap Index, MSCI Hong Kong Small Cap Index and Hang Seng Stock Connect Greater Bay Area Composite Index as well as an eligible stock under the Shenzhen-Hong Kong Stock Connect programme. KWIH held a 3.73% stake in Galaxy Entertainment Group Limited (stock code: 00027) as of 30 June 2022.

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



Media Enquiries :

K. Wah International Holdings Limited

Helen Cheung Tel: (852) 2960 3739

Keith Hon Tel: (852) 2960 3314

Andrea Chan Tel: (852) 2960 3359

Fax: (852) 2811 9710

Email: helencheung@kwah.com

Email: keithhon@kwah.com

Email: andreachan@kwah.com