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(Stock Code: 00173)

Resilience Amid Challenges: Preserving Distinctive Quality and Value

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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**”) as follows:

- Revenue of the Group was HK\$1,052 million and taking into account joint ventures and associated companies, total attributable revenue of the Group was HK\$7,179 million, whereas profit attributable to equity holders of the Company was HK\$114 million.
- Attributable contracted sales of the Group for the Period amounted to HK\$1.4 billion.
- As of 30 June 2025, the Group had attributable contracted sales of HK\$6 billion in total yet to be recognised.
- Earnings per share was 3.61 HK cents and an interim dividend per share of 2 HK cents was declared.
- As of 30 June 2025, net asset value per share was HK\$12.9.
- The gearing ratio of the Group decreased from 12% as of last year end to 11% as of 30 June 2025.
- The Group, with its financial resources, will continue to assess any opportunities, where appropriate, to replenish its landbank in Hong Kong, and The Pearl River and Yangtze River Deltas, on a disciplined basis and in a cautious manner.

CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT (unaudited)
For the six months ended 30 June 2025

	Note	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue	3	1,052,049	1,213,010
Cost of sales		(686,046)	(528,930)
Gross profit		366,003	684,080
Other operating income		277,231	257,490
Other net gains		27,184	73,946
Change in fair value of investment properties		(3,611)	29,727
Other operating expenses		(126,952)	(148,367)
Administrative expenses		(230,631)	(294,570)
Finance costs		(198,320)	(211,680)
Share of profits of joint ventures		134,388	24,636
Share of losses of associated companies		(23,036)	(1,946)
Profit before taxation	4	222,256	413,316
Taxation charge	5	(109,811)	(235,464)
Profit for the period		112,445	177,852
Attributable to:			
Equity holders of the Company		113,898	153,787
Non-controlling interests		(1,453)	24,065
		112,445	177,852
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share	6		
Basic		3.61	4.91
Diluted		3.61	4.91

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
For the six months ended 30 June 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit for the period	112,445	177,852
Other comprehensive income/(loss):		
<i>Items that will not be reclassified to profit and loss:</i>		
Change in fair value of financial assets at fair value through other comprehensive income	300,595	(1,194,258)
Exchange differences arising from translation - non-controlling interests	29,112	(65,354)
<i>Items that may be reclassified to profit and loss:</i>		
Exchange differences arising from translation - subsidiaries	362,551	(202,001)
- joint ventures and associated companies	1,456	(944)
(Losses)/gains on net investment hedges	(225,615)	28,708
Other comprehensive income/(loss) for the period	468,099	(1,433,849)
Total comprehensive income/(loss) for the period	580,544	(1,255,997)
Total comprehensive income/(loss) attributable to:		
Equity holders of the Company	552,885	(1,214,708)
Non-controlling interests	27,659	(41,289)
	580,544	(1,255,997)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

	Note	(unaudited) 30 June 2025 HK\$'000	(audited) 31 December 2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		320,139	330,263
Investment properties		16,555,307	16,349,981
Right-of-use assets		76,242	77,416
Joint ventures		10,050,154	9,984,779
Associated companies		3,060,644	2,988,409
Financial assets at fair value through other comprehensive income		5,662,569	5,361,974
Deferred taxation assets		304,903	305,233
Other non-current assets		755,002	905,540
		<u>36,784,960</u>	<u>36,303,595</u>
Current assets			
Development properties		18,587,768	18,634,218
Inventories		1,242	897
Amounts due from joint ventures		63,814	96,167
Debtors and prepayments	8	568,610	503,910
Derivative financial instruments		2,447	62,202
Financial assets at fair value through profit or loss		7,272	215,895
Taxes recoverable		914,899	904,784
Cash and cash equivalents and bank deposits		8,698,185	9,649,379
		<u>28,844,237</u>	<u>30,067,452</u>
Total assets		<u>65,629,197</u>	<u>66,371,047</u>
EQUITY			
Share capital		315,273	315,273
Reserves		40,316,248	39,763,363
Shareholders' funds		40,631,521	40,078,636
Non-controlling interests		1,906,772	1,879,113
Total equity		<u>42,538,293</u>	<u>41,957,749</u>
LIABILITIES			
Non-current liabilities			
Borrowings		9,790,121	10,802,654
Derivative financial instruments		28,574	-
Lease liabilities		3,510	3,937
Deferred taxation liabilities		2,714,830	2,638,590
		<u>12,537,035</u>	<u>13,445,181</u>
Current liabilities			
Amounts due to joint ventures		811,634	808,253
Amounts due to associated companies		81,885	79,219
Creditors, accruals and other liabilities	9	1,225,609	1,539,793
Pre-sales deposits		4,311,684	4,291,758
Current portion of borrowings		3,646,414	3,759,888
Derivative financial instruments		54,653	2,553
Taxes payable		421,990	486,653
		<u>10,553,869</u>	<u>10,968,117</u>
Total liabilities		<u>23,090,904</u>	<u>24,413,298</u>
Total equity and liabilities		<u>65,629,197</u>	<u>66,371,047</u>
Net current assets		<u>18,290,368</u>	<u>19,099,335</u>
Total assets less current liabilities		<u>55,075,328</u>	<u>55,402,930</u>

NOTES

1. Basis of preparation

The interim financial information for the six months ended 30 June 2025 has been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets (financial assets at fair value through other comprehensive income, derivative financial instruments and financial assets at fair value through profit or loss) which are carried at fair values, and in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024 which have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”). HKFRSs comprise the following authoritative literature: HKFRS Accounting Standards, HKASs and Interpretations developed by the Hong Kong Institute of Certified Public Accountants.

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024, except as stated below.

The adoption of amendments to standards

In 2025, the Group adopted the following amendments to standards, which are relevant to its operations.

HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability
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The above amendments to standards did not have significant impact on the Group’s accounting policies and did not require retrospective adjustments.

New standards, amendments and improvements to standards and interpretation that are not yet effective

		Effective for accounting periods beginning on or after
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026
HKAS 7, HKFRS 1, HKFRS 7, HKFRS 9 and HKFRS 10	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendment)	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027

The Group will adopt the above new standards, amendments and improvements to standards and interpretation as and when they become effective. The Group has performed a preliminary assessment of the likely impact and anticipates that the application of these new standards, amendments and improvements to standards and interpretation will have no material impact on the results and the financial position of the Group. The Group will continue to assess the impact in more details.

2. Segment information

The Group is principally engaged in property development and investment in Hong Kong and the Mainland. 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 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 net gains/losses and change in fair value of investment properties. The Adjusted EBITDA excludes the share of results of joint ventures and associated companies. There are no sales or trading transactions between the operating segments. Others represent corporate level activities including central treasury management, hotel operation and administrative function.

Segment assets represent total assets excluding joint ventures, associated companies and other assets. Other assets mainly include financial assets at fair value through other comprehensive income, hotel building, inventories and other non-operating assets held by the corporate office.

	Property development	Property investment	Others	Total
	Hong Kong HK\$'000	Mainland HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2025				
Revenue from contracts with customers				
- Recognised at a point in time	222,530	487,592	-	710,122
- Recognised over time	-	-	-	39,472
Revenue from other sources				
- Rental income	-	-	302,455	302,455
Revenue	222,530	487,592	302,455	1,052,049
Adjusted EBITDA	73,305	(40,429)	211,015	152,603
Other income and expenses/gains, net				177,463
Depreciation and amortisation				(17,231)
Change in fair value of investment properties			(3,611)	(3,611)
Finance costs				(198,320)
Share of profits/(losses) of joint ventures	150,086	(15,698)		134,388
Share of losses of associated companies	(23,018)	(18)		(23,036)
Profit before taxation				222,256
Taxation charge				(109,811)
Profit for the period				112,445
As at 30 June 2025				
Segment assets	4,244,275	23,530,972	17,022,351	44,797,598
Other assets	-	-	-	7,656,987
Joint ventures	9,075,845	1,038,123	-	10,113,968
Associated companies	3,032,347	28,297	-	3,060,644
Total assets	16,352,467	24,597,392	17,022,351	65,629,197
Total liabilities	5,667,453	14,597,817	2,695,885	23,090,904

2. Segment information (Cont'd)

	Property development		Property investment	Others	Total
	Hong Kong HK\$'000	Mainland HK\$'000	HK\$'000	HK\$'000	HK\$'000
Six months ended 30 June 2024					
Revenue from contracts with customers					
- Recognised at a point in time	352,495	493,823	-	-	846,318
- Recognised over time	-	-	-	44,877	44,877
Revenue from other sources					
- Rental income	-	-	321,815	-	321,815
Revenue	352,495	493,823	321,815	44,877	1,213,010
Adjusted EBITDA	149,968	131,823	241,289	(115,660)	407,420
Other income and expenses/gains, net					183,069
Depreciation and amortisation					(17,910)
Change in fair value of investment properties			29,727		29,727
Finance costs					(211,680)
Share of profits of joint ventures	23,055	1,581			24,636
Share of (losses)/profits of associated companies	(2,084)	138			(1,946)
Profit before taxation					413,316
Taxation charge					(235,464)
Profit for the period					177,852
As at 31 December 2024					
Segment assets	4,195,954	25,805,425	16,700,841	-	46,702,220
Other assets	-	-	-	6,599,472	6,599,472
Joint ventures	9,004,466	1,076,480	-	-	10,080,946
Associated companies	2,960,522	27,887	-	-	2,988,409
Total assets	16,160,942	26,909,792	16,700,841	6,599,472	66,371,047
Total liabilities	6,253,448	15,406,978	2,678,840	74,032	24,413,298
Additions to non-current assets					
Six months ended 30 June 2025	-	1,045	5,946	76	7,067
Six months ended 30 June 2024	-	1,047	29,820	81	30,948

Geographical segment information

The Group operates in two (2024: two) main geographical areas: Hong Kong and the Mainland.

The revenue for the six months ended 30 June 2025 and 2024 and total non-current assets (other than joint ventures, associated companies, financial assets at fair value through other comprehensive income, deferred taxation assets and other non-current assets) as at 30 June 2025 and 31 December 2024 by geographical area are as follows:

2. Segment information (Cont'd)

Revenue	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong	265,223	399,534
Mainland	786,826	813,476
	1,052,049	1,213,010

Non-current assets	30 June 2025 <i>HK\$'000</i>	31 December 2024 <i>HK\$'000</i>
Hong Kong	2,641,390	2,687,570
Mainland	14,310,298	14,070,090
	16,951,688	16,757,660

3. Revenue

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of properties	710,122	846,318
Rental income	302,455	321,815
Hotel operations	39,472	44,877
	1,052,049	1,213,010

4. Profit before taxation

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit before taxation is stated after crediting:		
Interest income	112,431	141,555
Dividend income from financial assets at fair value through other comprehensive income	81,242	48,745
Net gains on settlement of derivative financial instruments	30,045	41,860
Net fair value gains on financial assets at fair value through profit or loss	3,479	11,823
Net exchange gains	12,169	40,121
and after charging:		
Cost of properties sold	629,630	469,579
Selling and marketing expenses	67,562	86,284
Depreciation for property, plant and equipment (net of capitalisation)	14,890	15,038
Depreciation for right-of-use assets	2,341	2,872
Lease expenses	2,817	4,373
Net fair value losses on derivative financial instruments	18,488	19,830

5. Taxation charge

	2025 HK\$'000	2024 HK\$'000
Current		
Hong Kong profits tax	11,664	17,707
Mainland		
- Income tax	46,135	85,886
- Land appreciation tax	8,872	64,882
(Over)/under-provision in previous years	(152)	9,323
Deferred	43,292	57,666
	109,811	235,464

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward. Taxation assessable on profits generated for the period in the Mainland has been provided at the rate of 25% (2024: 25%). There is no income tax provided on other comprehensive income.

Land appreciation tax in the Mainland is normally provided at statutory 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.

The Group is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules (the “*Rules*”). Under the Rules, the Group is liable to pay a top-up tax in jurisdictions where its effective tax rate falls below 15%. The Group has assessed its exposure to the Rules. Based on the assessment for the period ended 30 June 2025, the Group does not expect a material impact on its income tax position resulting from the Rules.

6. Earnings per share

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

	2025 HK\$'000	2024 HK\$'000
Profit attributable to equity holders of the Company	113,898	153,787
	Number of shares	
	2025	2024
Weighted average number of shares for calculating basic earnings per share	3,152,728,607	3,132,894,615
Effect of dilutive potential ordinary shares – Share options	-	-
Weighted average number of shares for calculating diluted earnings per share	3,152,728,607	3,132,894,615

7. Dividend

The Board has declared an interim cash dividend of HK\$63,055,000 (being 2 HK cents per share) (2024: 4 HK cents per share, totaling HK\$126,109,000). This dividend will be accounted for as an appropriation of retained earnings in the year ending 31 December 2025.

8. Debtors and prepayments

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade debtors	6,396	7,508
Other debtors	179,444	181,269
Tender deposits	50,000	-
Prepayments and other deposits	25,132	27,198
Sales commissions	11,362	9,027
Prepaid sales taxes	296,276	278,908
	568,610	503,910

Trade debtors mainly comprise rental receivables. 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 2025 HK\$'000	31 December 2024 HK\$'000
Within one month	5,085	4,618
Two to three months	832	2,541
Four to six months	252	334
Over six months	227	15
	6,396	7,508

9. Creditors, accruals and other liabilities

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Trade creditors	503,788	790,514
Other creditors	74,290	108,691
Accrued operating expenses	422,492	411,851
Rental and other deposits received	223,236	226,146
Lease liabilities – current portion	1,803	2,591
	1,225,609	1,539,793

Trade creditors mainly comprise construction cost payables and accrued operating expenses mainly comprise accrued sales commissions, sales taxes and other operating expenses.

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

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Within one month	502,029	788,891
Two to three months	55	123
Four to six months	71	12
Over six months	1,633	1,488
	503,788	790,514

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Operating Results

The revenue of the Group for the six months ended 30 June 2025 (“*Period*”) was HK\$1,052 million, mainly derived from the property sales of K. Summit in Hong Kong, and Cosmo in Guangzhou; and the rental income from Shanghai K. Wah Centre. The attributable revenue of the Group (comprising the revenue of the Group and attributable revenue from joint ventures and associated companies of HK\$6,127 million) was HK\$7,179 million for the Period.

Profit attributable to equity holders of the Company was HK\$114 million, while underlying profit of the Group (before the net of tax fair value change of investment properties) was HK\$99 million for the Period. The decrease in underlying profit was mainly due to lower margin of projects in Hong Kong and the Mainland under downward price pressure. Nonetheless, the Group maintains strong liquidity, a low gearing and ample financial resources, including the cash and bank deposits amounted to HK\$8,698 million and available undrawn banking facilities amounted to HK\$18,707 million held as of 30 June 2025, and there are positive measures showing the governments’ proactiveness to stabilise the markets.

The total comprehensive income attributable to equity holders of the Company for the Period was HK\$553 million after primarily accounting for the fair value change on the non-current investment of an interest in Galaxy Entertainment Group Limited (“*GEG*”) and exchange differences arising from translation of the Group’s RMB denominated net assets as of the Period end.

Attributable contracted sales of the Group (comprised of contracted sales of the Group and attributable contracted sales from joint ventures and associated companies) for the Period amounted to approximately HK\$1.4 billion, mainly derived from KT Marina and Grand Victoria in Hong Kong and Cosmo in Guangzhou.

As of 30 June 2025, the Group had unrecognised attributable contracted sales amounted to approximately HK\$6 billion, expected to be accounted for from the second half of 2025 onwards.

Hong Kong Operation

Given ample liquidity and declining interest rates, the Hong Kong property market has shown signs of stabilisation in the first half of 2025. The Group has continued to market KT Marina, our joint venture project in Kai Tak during the Period. More units at KT Marina were put up for sale, achieving attributable contracted sales of HK\$0.5 billion in the Period.

Following the certificates of compliance being issued, the handover of pre-sold units for three joint venture projects, Grand Mayfair in Yuen Long, Villa Garda in Tseung Kwan O and KT Marina, commenced in late March and early April, with the corresponding attributable sales recognised in the Period. New batches of units will be put up for sale in the second half of 2025, subject to market conditions. Construction work of other projects under development has progressed as scheduled.

Occupancy of the Group’s investment properties remained stable during the Period and they continue to deliver steady recurrent income. Our premium dining and shopping arcade J SENSES achieved an average occupancy of 98% while the commercial complex at Twin Peaks and the shops at K. Summit were all leased out.

Mainland Operation

During the Period, the Group continued to market the remaining units of its various launched projects, Cosmo in Guangzhou and VETTA in Suzhou while new batches of units at J City in Jiangmen were also launched, generating total contracted sales of approximately RMB0.4 billion for the Group.

Development of the projects under construction is progressing on schedule and according to plan.

The Group's leasing performance continued to be satisfactory during the Period. Our prime office building, Shanghai K. Wah Centre, maintained an average occupancy of around 85% while our Shanghai serviced apartments in Jing An and Xu Hui achieved an overall occupancy of around 95%. EDGE in Shanghai was fully let while WYSH in Shanghai achieved 80% occupancy as of the Period. Commercial facilities in other regions continued to maintain stable occupancy.

Land Bank Replenishment

The Group remains vigilant in monitoring the land markets of both Hong Kong and the Mainland, exercising discipline and sound judgment in evaluating opportunities for land replenishment. The aim is to maximise earning potential while exploring diverse avenues for new investment prospects.

Investment in GEG

The Group maintains an investment of 162 million shares in GEG, an approximate 3.71% interest, carried at fair market value. As of the Period end, the share price of GEG was HK\$34.85, as compared with HK\$33 as of 31 December 2024. The change in fair value of approximately HK\$0.3 billion was directly recorded in reserve. A final dividend of HK\$0.5 per share was declared in March 2025, and an interim dividend of HK\$0.7 per share was just declared in August.

MARKET REVIEW AND OUTLOOK

Global, Mainland and Hong Kong

The global economy in the first half of 2025 presents a mixed picture of moderate growth, increasing trade tensions, and policy shifts. Global growth is projected to slow down from 3.3% in 2024 to around 2.3% to 2.9% in 2025. The World Bank expects 2.3% growth. Factors which negatively influence growth include trade tensions, wars, tighter financial conditions, and policy uncertainty.

A decline was expected in global headline inflation and the G20 economies were expected to see a moderation in 2025, from 6.2% to 3.6%. As underlying pressures are strong, higher trade costs from tariffs could push inflation up, although this may be partially offset by weaker commodity prices.

The U.S. economy was expected to grow at a slower pace of around 1.6% to 2% in 2025, with tariffs impacting consumer spending. The Eurozone is projected to see modest growth, with forecasts around 0.9% to 1%. China's growth was projected to moderate from 4.5% to 4.7% in 2025, as the government has taken many measures to support the economy, but this has been offset by the negative impact of U.S. tariffs.

Hong Kong's economy demonstrated mild growth in the first quarter of 2025, with real GDP expanding by 3.1% year-on-year. This marked an increase from the 2.5% growth in the previous quarter. On a seasonally adjusted quarter-to-quarter basis, real GDP grew by 1.9%. The growth in the first half was mainly supported by visible increases in exports of goods and services and a resumption of moderate growth in overall investment expenditure. However, private consumption expenditure continued to register a modest decline, as changes in spending habits of both residents and visitors constrained the drive in domestic consumption.

Hong Kong Property Market

In the first half of 2025, Hong Kong's property market showed signs of recovery, with first-hand residential transactions totaling 9,334 units, a 25% increase compared to the second half of 2024, but a 1% decrease as compared with the first half of 2024. This reflects the fact that demand remains, particularly for residential properties. However, high inventory levels may pressure prices. The decrease in Hibor from mid-May has also had a positive impact, warming buyer enthusiasm.

Mainland Property Market

After a period of volatility, the Mainland property market has showed signs of stabilisation, driven by government intervention and policy support. The government has implemented a number of measures to support the housing market, including easing credit conditions and promoting affordable housing projects.

There was a gradual recovery in demand, particularly in tier-one cities, as consumer confidence improved and buyers returned to the market. Cities like Shanghai were likely to see stronger demand due to a limited supply of properties coupled with growing urbanisation. However, buyer confidence remains weak in other tier 1 and tier 2 cities. Nationwide, the volume and value of new property sales declined by 3.5% and 5.5% respectively year-on-year. Overall, a mild recovery was seen but many challenges also remain in the market in the first half of the year. Growth is still expected in the long-run, as it is driven by urbanisation and core infrastructure development, although the pace may vary regionally.

Outlook for the second half of 2025

Looking ahead to the second half of 2025, the global economic environment is expected to remain challenging. New U.S. trade policy and associated uncertainties are expected to curb global demand, with tariffs anticipated to impact the prices of core goods, initially in the second half of 2025, with a subsequent spillover to services. Inflation is expected to remain a concern. The headline and core Consumer Price Index (CPI) are projected to reach above 3% by the end of 2025.

In summary, the market outlook for the second half of 2025 suggests slower growth, continued uncertainty, and the potential for increased volatility. However, the Group remains committed to delivering high-quality products, maintaining strong branding, and exercising disciplined cost and project management. The Group will continue to focus on prime projects in key areas of Hong Kong and the Mainland's first-tier cities, to seek new investment opportunities and to prepare to capitalise on the market's recovery.

REVIEW OF FINANCE

Financial Position

The financial position of the Group remained satisfactory. As of 30 June 2025, total funds employed (being total equity and total borrowings) were HK\$56 billion (31 December 2024: HK\$57 billion). The number of issued shares of the Company was 3,152,728,607 as of 30 June 2025, without any movement during the Period.

Group Liquidity, Financial Resources and Gearing Ratio

The Group monitors its liquidity requirements on a short-to-medium-term rolling basis and arranges refinancing of the Group's borrowings when appropriate. As of 30 June 2025, the Group's borrowings amounted to HK\$13,437 million (31 December 2024: HK\$14,563 million) and 27% will be repayable within one year. The maturity profile of the borrowings is spread over a period of up to five years except for an amount of HK\$354 million which is due after five years. The average interest rate for the Group during the Period decreased to 3.2% from last year's average of 4.3%.

As of 30 June 2025, the Group had available undrawn banking facilities totaling HK\$18,707 million (31 December 2024: HK\$17,666 million), comprising HK\$15,620 million (31 December 2024: HK\$14,416 million) for working capital and HK\$3,087 million (31 December 2024: HK\$3,250 million) for project facility purposes.

As of 30 June 2025, the Group's cash and bank deposits amounted to HK\$8,698 million (31 December 2024: HK\$9,649 million), with approximately 69% held in Renminbi. The gearing ratio, defined as the ratio of total borrowings less cash and bank deposits to total equity, dropped to 11% as of the Period end from 12% as of last year end.

A 5-year revolving credit facility of HK\$750 million was executed in February, as well as a 4-year revolving credit and term loan facility of HK\$750 million in April, for refinancing at favourable cost and enhancing the Group's funding capability. The ample financial resources will provide adequate funding for the Group's operational and capital expenditure requirements.

Treasury Policies

In order to minimise risk, the Group continues to adopt a prudent approach regarding foreign exchange exposure. Forward foreign exchange contracts are utilised when considered appropriate and when attractive pricing opportunities arise to mitigate foreign exchange exposures. Interest rate swap contracts are also utilised as appropriate to mitigate the impact of any undue interest rate fluctuations on the Group's operations in the medium and longer term. Accordingly, interest rate swap contracts were executed with an outstanding amount of HK\$0.6 billion as of the Period end (31 December 2024: HK\$1.4 billion).

In addition, the Group entered into cross currency swap contracts to hedge a portion of its net investment in the Mainland's operations, which are designated as net investment hedges. The net investment hedges offset the risk of changes in the value of the investment in the Mainland due to the fluctuation of the Renminbi exchange rate. As of the Period end, the notional principal amount of the cross currency swap contracts was approximately HK\$2.8 billion (31 December 2024: HK\$2.8 billion).

The Group do not utilise derivative financial instruments for speculative purpose and the use of derivative financial instruments is strictly monitored and controlled. The derivative financial instruments entered into by the Group were solely used for management of the Group's interest rate and foreign exchange exposures.

Of the Group's bank loans of HK\$13,437 million as of 30 June 2025, approximately 65% was denominated in Hong Kong dollars, with the remainder in Renminbi. Approximately 50% of such borrowings were on a floating rate basis, with the remainder on a fixed rate basis.

Charges on Group Assets

As of 30 June 2025, certain subsidiaries of the Group pledged assets (comprising investment properties and development properties) with aggregate carrying values of HK\$4,560 million (31 December 2024: HK\$4,341 million) to banks in order to secure the Group's borrowing facilities.

Guarantees

As of 30 June 2025, the Group has executed guarantees in favour of banks in respect of facilities granted to certain joint ventures and associated companies, amounting to HK\$5,264 million (31 December 2024: HK\$8,151 million) and HK\$980 million (31 December 2024: HK\$980 million) respectively, of which facilities totaling HK\$4,707 million (31 December 2024: HK\$6,735 million) and HK\$980 million (31 December 2024: HK\$980 million) respectively have been utilised. In addition, the Group provided guarantees amounting to HK\$1,365 million (31 December 2024: HK\$1,617 million) in respect of mortgage facilities granted by banks relating to mortgage loans arranged for purchasers of the Group's properties.

As of 30 June 2025, the Company has executed guarantees in favour of banks in respect of facilities granted to certain subsidiaries, joint ventures and associated companies, amounting to HK\$28,596 million (31 December 2024: HK\$28,471 million), HK\$5,264 million (31 December 2024: HK\$7,622 million) and HK\$980 million (31 December 2024: HK\$980 million) respectively. Of these, facilities totaling HK\$12,453 million (31 December 2024: HK\$13,517 million), HK\$4,707 million (31 December 2024: HK\$6,713 million) and HK\$980 million (31 December 2024: HK\$980 million) respectively have been utilised.

EMPLOYEES AND REMUNERATION POLICY

The Group believes its long-term growth and success 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 talents. With result-driven incentive programmes which are built upon our established performance management framework, the Group believes the remuneration packages of its employees are fair, reasonable and competitive in relation to comparable organisations with similar business interests.

The Group has put in place a share option scheme for its executives and employees since 1989 for the purposes of providing competitive remuneration package as well as retaining talents in the long term. The Group puts emphasis on employees' training and development opportunities which form an important component of the Group's human resources strategy. Training and development programmes are provided through internal and external resources each year to address the needs of our employees for the sustainable development of our businesses.

CORPORATE GOVERNANCE

The Board and the management of the Company are committed to the principles of observing good corporate governance consistent with prudent management and enhancement of shareholders' value. The full Board is entrusted with the overall responsibility of developing and ensuring adherence to the Company's Corporate Governance Policy and the Shareholders Communication Policy. The Company is committed to maintaining high standards of corporate governance and enhancing corporate transparency and accountability.

During the period of six months ended 30 June 2025, the Company had complied with the code provisions ("CPs") set out in the Corporate Governance Code in Appendix C1 to the Rules Governing the Listing of Securities ("**Listing Rules**") on The Stock Exchange of Hong Kong Limited, apart from the temporary deviations from (i) CPs C.2.2 to C.2.6 and C.2.8 to C.2.9 (responsibilities of the chairman of the board) and (ii) CP C.6.3 (the company secretary should report to the chairman of the board), which had been explained in the Corporate Governance Report of its 2024 Annual Report.

Following the appointment of the Chairman of the Board and the Co-Managing Directors of the Company with effect from 27 March 2025 as disclosed in the relevant announcement of the Company dated 27 March 2025, the Board considers that the circumstances of such temporary deviations had been addressed appropriately and the Company had complied with each of the CPs as set out in the abovementioned deviations numbered (i) and (ii).

AUDIT COMMITTEE

The Audit Committee of the Company met on 15 August 2025 to review the Company's accounting principles and practices and to discuss audit strategy, risk management and internal control and financial reporting matters. The Group's unaudited interim results for the six months ended 30 June 2025 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. The report on review of interim financial information by the Auditor will be included in the 2025 Interim Report to the shareholders of the Company.

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 listed securities (including sale of treasury shares, if any) during the period of six months ended 30 June 2025. The Company did not hold any treasury shares as at 30 June 2025.

INTERIM DIVIDEND

The Board has declared an interim cash dividend for the six months ended 30 June 2025 of 2 HK cents per share, totaling HK\$63,055,000, payable on 27 October 2025 to the shareholders whose names appear on the registers of members of the Company on 15 September 2025, being the record date for determining shareholders' entitlement to the interim dividend (2024: an interim cash dividend of 4 HK cents per share, totaling HK\$126,109,000). It is expected that the dividend warrants will be posted to those entitled on 27 October 2025.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members of the Company will be closed from 10 September 2025 to 15 September 2025, both dates inclusive, during which period no transfer of shares will be registered in order to ascertain shareholders' entitlement to the interim dividend. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar and Transfer Office 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 9 September 2025.

PUBLICATION OF FURTHER INFORMATION ON WEBSITE

This announcement is published on the websites of the Company (www.kwih.com) and the Hong Kong Exchanges and Clearing Limited ("**HKEx**") (www.hkexnews.hk). The Company's 2025 Interim Report containing all the applicable information as required by the Listing Rules will be available on the respective websites of the Company and HKEx and dispatched to the shareholders as per the Company's corporate communications arrangements in late September 2025.

DIRECTORS

As at the date of this announcement, the Executive Directors are Mr. Francis Lui Yiu Tung (Chairman), Mrs. Paddy Tang Lui Wai Yu (Co-Managing Director) and Mr. Alexander Lui Yiu Wah (Co-Managing Director); the Non-executive Director is Dr. Moses Cheng Mo Chi; and the Independent Non-executive Directors are Mr. Wong Kwai Lam, Mr. Nip Yun Wing and Mr. Cheung Kin Sang.

By Order of the Board of
K. Wah International Holdings Limited
Miranda Tse
Company Secretary

Hong Kong, 21 August 2025