



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

A Quality
Property Developer
優質地產發展商

Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司

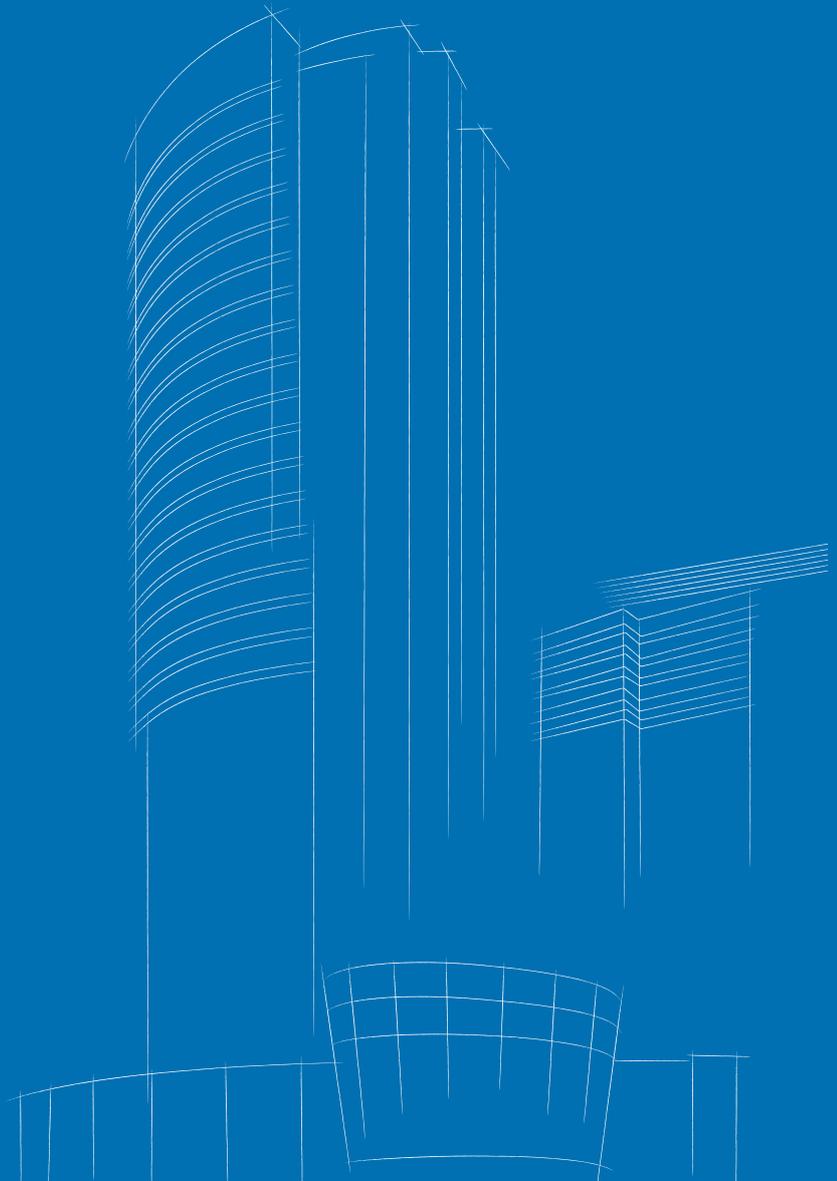
Stock code 股份代號 0173



Brilliant Minds
Better Lives
精心匠建 穩步向前

INTERIM REPORT 2009 中期報告

Brilliant Minds Better Lives



Our Mission

It is our mission to focus on customer needs and pursue the spirit of excellence with quality products and services through our commitment to research, design and value creation. With vision, perseverance and teamwork, we strive to provide shareholders with the best return on their investment.

Contents

Our Mission	01
Corporate Profile	02
Corporate Information	03
Interim Results Highlights and Interim Dividend	04
Management Discussion and Analysis	05
Report on Review of Interim Financial Information	07
Condensed Consolidated Profit and Loss Statement (unaudited)	08
Condensed Consolidated Statement of Comprehensive Income (unaudited)	09
Condensed Consolidated Balance Sheet (unaudited)	10
Condensed Consolidated Cash Flow Statement (unaudited)	11
Condensed Consolidated Statement of Changes in Equity (unaudited)	12
Notes to the Interim Financial Information	13
Other Information	22

Corporate Profile

K. Wah International Holdings Limited (“KWIH”; stock code: 0173), listed in Hong Kong in 1987*, is the property flagship of K. Wah Group. With a property portfolio encompassing premium residential developments, Grade-A office towers, hotels, serviced apartments and retail spaces, KWIH has a presence in Hong Kong, Shanghai, Guangzhou and Southeast Asia.

KWIH aims at establishing a position of large-scale integrated property developer and investor in the Greater China region. With a focus on an integrated approach for value creation, KWIH blends architectural design, quality, functionalities and top-notch building services in all its properties to redefine the standard of quality modern living. Furthermore, 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 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. In 2008, it won the Quality Building Award in the Special Awards Category: Heritage with J SENSES, the arcade of J Residence.

* Formerly K. Wah Stones (Holdings) Limited listed in 1987.



Corporate Information

CHAIRMAN & MANAGING DIRECTOR

Dr. Che-woo Lui, GBS, MBE, JP, LLD, DSSc, DBA

EXECUTIVE DIRECTORS

Mr. Francis Lui Yiu Tung

Ms. Paddy Tang Lui Wai Yu, BBS, JP

NON-EXECUTIVE DIRECTORS

Sir David Akers-Jones*, KBE, GBM, CMG, Hon. RICS, JP

Mr. Michael Leung Man Kin, CBE, JP

Dr. Moses Cheng Mo Chi, GBS, OBE, JP

(appointed on 1 August 2009)

Dr. The Hon. Leo Lee Tung Hai*, GBM, GBS, LLD, JP

Dr. Robin Chan Yau Hing*, GBS, LLD, JP

Mr. Robert George Nield*

Dr. William Yip Shue Lam*, LLD

Prof. Poon Chung Kwong*, GBS, PhD, DSc, JP

(appointed on 1 August 2009)

* *Independent Non-executive Directors*

COMPANY SECRETARY

Ms. Cecilia Lee Wai Kwan, LLM, ACIS, ACS

(appointed on 13 July 2009)

AUDITOR

PricewaterhouseCoopers

REGISTERED OFFICE

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29th Floor

K. Wah Centre

191 Java Road

North Point

Hong Kong

PRINCIPAL SHARE REGISTRARS

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre

11 Bermudiana Road

Pembroke HM 08

Bermuda

HONG KONG BRANCH SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited

Shops 1712–1716

17th Floor, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

AMERICAN DEPOSITARY RECEIPTS DEPOSITORY

The Bank of New York Mellon

Depository Receipts

101 Barclay Street

22nd Floor, New York, NY10286

USA

WEBSITE ADDRESS

<http://www.kwih.com>

SHARE LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

Hong Kong Stock Exchange : 173

Bloomberg : 173 HK

Reuters : 0173.HK

Interim Results Highlights and Interim Dividend

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 2009 (“Period”) as follows:

- Revenue was HK\$1,089 million (2008: HK\$716 million)
- Profit for the Period was HK\$168 million (2008: HK\$333 million)
- Profit attributable to shareholders was HK\$155 million (2008: HK\$251 million)
- Earnings per share was 6.27 HK cents (2008: 10.18 HK cents)

INTERIM DIVIDEND

The Board has declared an interim cash dividend for the Period of 1 HK cent per share, totaling HK\$24,704,000, payable on 6 November 2009 to the shareholders whose names appear on the registers of members of the Company at the close of business on 9 October 2009 (2008: an interim cash dividend of 1 HK cent per share, totaling HK\$24,704,000).

Management Discussion and Analysis

(I) BUSINESS REVIEW AND OUTLOOK

Operating Results

Revenue and profit attributable to shareholders for the Period was HK\$1,089 million and HK\$155 million respectively, compared to HK\$716 million and HK\$251 million for the same period last year. The decrease in profit was mainly due to lesser projects being completed for profit recognition during the Period.

Property Development and Investment in Mainland China

The property market in Mainland China particularly in core cities remains positive due to strong domestic demand for high quality residential property. To take advantage of the market conditions, the Group launched its project Shanghai Westwood II in late 2008, offering up to 1,061 residential flats to the market. Market responses were encouraging and over 90% of the units have been sold or pre-sold. The remarkable sales have prompted the Group to speed up the development of other projects in Shanghai. Together with the projects in Guangzhou and Jiangmen, the Group continues to develop the residential and commercial development projects with total development attributable gross floor area of approximately 21,000,000 square feet and they are progressing well in accordance with schedule. On the investment side, the Group continues to have satisfactory rental income from its Shanghai K. Wah Centre, as well as other investment properties.

Property Development and Investment in Hong Kong

The property market in Hong Kong regained its momentum during the Period. Both property transaction volume and prices have recorded increases. The second quarter of 2009 also saw appreciation in the capital value of the luxurious residential sector, while the capital value of office space firmed up gradually. The Group continues to develop its residential development projects with attributable gross floor area of approximately 700,000 square feet. Most of these development projects are scheduled for completion in 2010 and 2011. During the Period, the Group achieved satisfactory occupancy and rental rates for its investment properties.

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 2009, the share price of GEG was HK\$2.04 as compared to HK\$1.06 at 31 December 2008. The change in the fair value of approximately HK\$159 million was recorded in reserve.

Outlook

There is no doubt that we are still suffering from the economic downturn as a consequence of the global financial crisis. Unemployment rate continues to rise and output per capita is projected to decline in many countries. Coping with these, most countries have made strong efforts to implement stimulus packages to revive the economies. To a certain extent, the deterioration of financial condition has eased off whilst the business environment is becoming better.

For Mainland China's economy, it shows a sign of recovery amid the global financial crisis on the back of its strong economic foundation and stimulus policies. The property market in Mainland China and Hong Kong regained its momentum during the Period although the economy has not yet fully recovered. Sentiment improved due to speculation that the economy had bottomed out; however, uncertainties and difficulties still persist in world economic development.

The Group is cautiously adjusting its business strategies to develop the residential and commercial projects in phases in the light of the changing market conditions. The management will continue to exercise caution in utilising available funds to make acquisitions.

(II) FINANCIAL REVIEW

Financial Position

The financial position of the Group remained strong. As of 30 June 2009, total funds employed was approximately HK\$14 billion (31 December 2008: HK\$14 billion).

There was no change in the number of the issued shares of the Company during the Period as no share options were exercised and the outstanding convertible bonds were fully redeemed.

Liquidity and Gearing Ratio

Cash and bank balances as of 30 June 2009 increased to HK\$2,824 million and the gearing ratio, defined as the total loans outstanding less cash balances to total assets, reduced from 25% as at 31 December 2008 to 17%.

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, future acquisitions and investments.

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.

Charges on Group Assets

As of 30 June 2009, 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\$7,968 million (31 December 2008: HK\$6,409 million) to banks to secure the Group's borrowing facilities.

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\$5,474 million (31 December 2008: HK\$5,953 million), HK\$2,404 million (31 December 2008: HK\$2,404 million) and HK\$1,009 million (31 December 2008: HK\$1,009 million) respectively, of which HK\$3,990 million (31 December 2008: HK\$4,016 million), HK\$1,467 million (31 December 2008: HK\$1,437 million) and HK\$642 million (31 December 2008: HK\$642 million) have been utilised respectively.

The Company had redeemed the entire amount of the outstanding 0.5% guaranteed convertible bonds of HK\$20 million at 91.49% of their principal amount on its maturity on 23 March 2009. The outstanding amount of such convertible bonds was HK\$20 million as of 31 December 2008.

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 2009, the Group, excluding jointly controlled entities and associated companies, employs 331 employees in Hong Kong and Mainland China. Employee costs, excluding Directors' emoluments, amounted to HK\$84 million for the Period under review.

The Group continues to attract, retain, motivate and promote competent and committed individuals for its long term success and growth. The Group believes our remuneration packages are fair and competitive based on quality, merit and development potentials.

With approval by the shareholders in 1989, the Group has a share option scheme for executives and general staff for the purpose of providing competitive remuneration package and long term retention of management talents and good performers. Likewise in Mainland China, employees' remuneration is commensurate with market pay levels with the emphasis on provision of training and development opportunities.

Report on Review of Interim Financial Information



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

TO THE BOARD OF DIRECTORS OF K. WAH INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 8 to 21, which comprises the condensed consolidated balance sheet of K. Wah International Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2009 and the condensed consolidated profit and loss statement, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement and the condensed consolidated statement of changes in equity for the six months then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 17 September 2009

Condensed Consolidated Profit and Loss Statement (unaudited)

For the six months ended 30 June 2009

	Note	2009 HK\$'000	2008 HK\$'000
Revenue	6	1,088,993	715,672
Cost of sales		(480,794)	(362,511)
Gross profit		608,199	353,161
Other operating income		8,296	32,046
Other net (losses)/gains		(694)	84,553
Other operating expenses		(3,616)	(5,982)
Administrative expenses		(112,971)	(113,921)
Change in fair value of investment properties		(71,040)	107,434
Finance costs		(42,181)	(55,444)
Share of profits less losses of jointly controlled entities		(13,855)	40,941
Share of losses of associated companies		(31)	(18)
Profit before taxation	7	372,107	442,770
Taxation charge	8	(204,571)	(109,380)
Profit for the period		167,536	333,390
Attributable to:			
Shareholders		154,847	250,601
Minority interests		12,689	82,789
		167,536	333,390
Interim dividend	9	24,704	24,704
		HK cents	HK cents
Earnings per share	10		
Basic		6.27	10.18
Diluted		6.27	10.12

Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the six months ended 30 June 2009

	2009 HK\$'000	2008 HK\$'000
Profit for the period	167,536	333,390
Other comprehensive income:		
Change in fair value of non-current investments	159,234	(368,839)
Exchange differences	93	330,456
Other comprehensive income/(loss) for the period, net of tax	159,327	(38,383)
Total comprehensive income for the period	326,863	295,007
Total comprehensive income attributable to:		
Shareholders	313,946	136,221
Minority interests	12,917	158,786
	326,863	295,007

Condensed Consolidated Balance Sheet (unaudited)

As at 30 June 2009

	Note	30 June 2009 HK\$'000	31 December 2008 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		67,967	57,831
Investment properties		3,674,195	3,746,543
Leasehold land and land use rights		66,386	66,739
Jointly controlled entities		2,337,025	2,282,665
Associated companies		740,900	714,198
Non-current investments		331,468	172,233
Other non-current assets		98,701	4,858
		7,316,642	7,045,067
Current assets			
Development properties		6,111,980	5,682,099
Debtors and prepayments	12	1,044,129	939,375
Tax recoverable		3,681	5,756
Cash and bank balances		2,823,759	1,291,179
		9,983,549	7,918,409
Total assets		17,300,191	14,963,476
EQUITY			
Share capital	13	247,038	247,038
Reserves		7,751,673	7,458,661
Shareholders' funds		7,998,711	7,705,699
Minority interests		1,139,603	1,198,556
Total equity		9,138,314	8,904,255
LIABILITIES			
Non-current liabilities			
Borrowings	14	3,413,592	2,325,615
Deferred taxation liabilities		588,576	608,888
		4,002,168	2,934,503
Current liabilities			
Amounts due to jointly controlled entities		56,281	56,313
Creditors and accruals	15	1,958,571	562,862
Current portion of borrowings	14	1,883,003	2,418,072
Tax payable		237,150	87,471
Dividend payable		24,704	—
		4,159,709	3,124,718
Total liabilities		8,161,877	6,059,221
Total equity and liabilities		17,300,191	14,963,476

Condensed Consolidated Cash Flow Statement (unaudited)

For the six months ended 30 June 2009

	2009 HK\$'000	2008 HK\$'000
Net cash from operating activities	1,113,437	759,856
Net cash used in investing activities	(102,089)	(520,947)
Net cash from/(used in) financing activities	522,849	(1,320,141)
Net increase/(decrease) in cash and cash equivalents	1,534,197	(1,081,232)
Cash and cash equivalents at beginning of period	1,291,179	2,444,742
Changes in exchange rates	(1,617)	(47,803)
Cash and cash equivalents at end of period	2,823,759	1,315,707

Condensed Consolidated Statement of Changes in Equity (unaudited)

For the six months ended 30 June 2009

	Share capital HK\$'000	Other reserves HK\$'000	Revenue reserve HK\$'000	Shareholders' funds HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 31 December 2008	247,038	2,364,884	5,093,777	7,705,699	1,198,556	8,904,255
Redemption of convertible bonds	—	(4,498)	5,387	889	—	889
Lapse of share options	—	(3,561)	3,561	—	—	—
Fair value of share options	—	2,881	—	2,881	—	2,881
Dividends	—	—	(24,704)	(24,704)	(71,870)	(96,574)
Total comprehensive income for the period	—	159,099	154,847	313,946	12,917	326,863
At 30 June 2009	247,038	2,518,805	5,232,868	7,998,711	1,139,603	9,138,314
At 31 December 2007	245,869	2,447,203	5,809,499	8,502,571	1,056,774	9,559,345
Conversion of convertible bonds, net of tax	1,075	17,571	—	18,646	—	18,646
Exercise of share options	34	614	—	648	—	648
Fair value of share options	—	10,916	—	10,916	—	10,916
Dividends	—	—	(73,771)	(73,771)	—	(73,771)
Total comprehensive income for the period	—	(114,380)	250,601	136,221	158,786	295,007
At 30 June 2008	246,978	2,361,924	5,986,329	8,595,231	1,215,560	9,810,791

Notes to the Interim Financial Information

1 GENERAL INFORMATION

K. Wah International Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda and has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited. The address of its registered office is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda and its principal place of business in Hong Kong is 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong.

The principal activities of the Company and its subsidiaries (together the “Group”) are property development and investment in Hong Kong, Mainland China and Singapore.

2 BASIS OF PREPARATION

The interim financial information 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 (“HKICPA”).

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 2008, except as stated below.

The adoption of new/revised HKFRS

In 2009, the Group adopted the new accounting standards, amendments and interpretation of Hong Kong Financial Reporting Standards (“HKFRS”) below, which are relevant to its operations.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK (IFRIC) — Int 15	Agreements for the Construction of Real Estate
HKICPA’s improvement to certain HKFRS published in October 2008	
— HKAS 1 (Amendment)	Presentation of Financial Statements
— HKAS 10 (Amendment)	Events after the Reporting Period
— HKAS 16 (Amendment)	Property, Plant and Equipment
— HKAS 19 (Amendment)	Employee Benefits
— HKAS 23 (Amendment)	Borrowing Costs
— HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
— HKAS 28 (Amendment)	Investments in Associates
— HKAS 31 (Amendment)	Interests in Joint Ventures
— HKAS 34 (Amendment)	Interim Financial Reporting
— HKAS 36 (Amendment)	Impairment of Assets
— HKAS 38 (Amendment)	Intangible Assets
— HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
— HKAS 40 (Amendment)	Investment Property
— HKFRS 7 (Amendment)	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new standards, amendments and interpretation 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 financial statements except the presentation of the consolidated statement of comprehensive income to present the non-owner consolidated changes in equity as required under HKAS 1 (Revised) and the segment information as required under HKFRS 8.

2 BASIS OF PREPARATION (cont'd)

Standards, interpretations and amendments to existing standards that are not yet effective

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1 July 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HK(IFRIC) — Int 17	Distributions on Non-cash Assets to Owners	1 July 2009
HK(IFRIC) — Int 18	Transfers of Assets from Customers	1 July 2009
HKAS 7 (Amendment)	Statement of Cash Flows	1 January 2010
HKAS 17 (Amendment)	Leases	1 January 2010
HKAS 36 (Amendment)	Impairment of Assets	1 January 2010
HKFRS 2 (Amendment)	Share-based Payment	1 January 2010
HKFRS 8 (Amendment)	Operating Segments	1 January 2010

The Group has not early adopted the above standards, amendments and interpretations, 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 financial statements will result.

3 FINANCIAL RISK MANAGEMENT

All aspects of the financial risk management objectives and policies of the Group are consistent with those disclosed in the annual financial statements for the year ended 31 December 2008.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions applied in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2008.

5 SEGMENT INFORMATION

The Group is principally engaged in property development and investment in Hong Kong, Mainland China and Singapore. In Japan, the Group carries on trading of plant and machinery. 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 investment ("Properties") and trading of plant and machinery ("Trading").

There are no sales or trading transactions between the operating segments. Others includes corporate level activities.

Other operating income/expenses, other net gains/losses, finance costs, share of profits less losses of jointly controlled entities and associated companies are not included in the result for each operating segment that is reviewed by the chief operating decision-maker.

5 SEGMENT INFORMATION (cont'd)

Segment assets primarily consist of property, plant and equipment, other non-current assets, properties, debtors and prepayments, tax recoverable and cash and bank balances and other assets mainly include non-current investments. 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.

	Properties HK\$'000	Trading HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30 June 2009				
Revenue	1,029,402	59,591	—	1,088,993
Segment results	420,745	5,815	(2,372)	424,188
Other operating income				8,296
Other net losses				(694)
Other operating expenses				(3,616)
Finance costs				(42,181)
Share of profits less losses of jointly controlled entities	(13,855)	—	—	(13,855)
Share of losses of associated companies	(31)	—	—	(31)
Profit before taxation				372,107
Taxation charge				(204,571)
Profit for the period				167,536
Capital expenditure	(1,035)	—	(12,000)	(13,035)
Depreciation	(3,020)	—	—	(3,020)
Amortisation	(405)	—	—	(405)
Change in fair value of investment properties	(71,040)	—	—	(71,040)
As at 30 June 2009				
Segment assets	13,859,730	26,822	—	13,886,552
Other assets	—	—	335,714	335,714
Jointly controlled entities	2,337,025	—	—	2,337,025
Associated companies	740,900	—	—	740,900
Total assets	16,937,655	26,822	335,714	17,300,191
Total liabilities	8,120,856	12,246	28,775	8,161,877

5 SEGMENT INFORMATION (cont'd)

	Properties HK\$'000	Trading HK\$'000	Others HK\$'000	Total HK\$'000
Six months ended 30 June 2008				
Revenue	620,079	95,593	—	715,672
Segment results	344,094	4,916	(2,336)	346,674
Other operating income				32,046
Other net gains				84,553
Other operating expenses				(5,982)
Finance costs				(55,444)
Share of profits less losses of jointly controlled entities	40,941	—	—	40,941
Share of losses of associated companies	(18)	—	—	(18)
Profit before taxation				442,770
Taxation charge				(109,380)
Profit for the period				333,390
Capital expenditure	(2,496)	—	—	(2,496)
Depreciation	(1,735)	—	—	(1,735)
Amortisation	(9,108)	—	—	(9,108)
Change in fair value of investment properties	107,434	—	—	107,434
As at 31 December 2008				
Segment assets	11,756,187	33,398	—	11,789,585
Other assets	—	—	177,028	177,028
Jointly controlled entities	2,282,665	—	—	2,282,665
Associated companies	714,198	—	—	714,198
Total assets	14,753,050	33,398	177,028	14,963,476
Total liabilities	6,031,309	23,718	4,194	6,059,221

Geographical segment information

The Group operates in four main geographical areas, including Hong Kong, Mainland China, Singapore and Japan.

The revenue for the six months ended 30 June 2009 and total non-current assets as at 30 June 2009 and 31 December 2008 by geographical area are as follows:

Revenue

	2009 HK\$'000	2008 HK\$'000
Hong Kong	61,828	438,252
Mainland China	957,959	150,375
Singapore	9,615	31,452
Japan	59,591	95,593
	1,088,993	715,672

Non-current assets

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Hong Kong	3,312,282	3,019,635
Mainland China	3,864,195	3,851,720
Singapore	139,519	173,018
Japan	646	694
	7,316,642	7,045,067

Certain comparative figures have been restated to conform with the adoption of HKFRS 8 — Operating Segments.

6 REVENUE

	2009 HK\$'000	2008 HK\$'000
Sales of properties	899,179	496,259
Rental income	130,223	123,820
Sale of goods	59,591	95,593
	1,088,993	715,672

7 PROFIT BEFORE TAXATION

	2009 HK\$'000	2008 HK\$'000
Profit before taxation is stated after crediting:		
Net exchange gains	—	80,629
Interest income	5,499	7,394
Dividend income	187	—
Gain on disposal of a subsidiary	—	3,985
Gain on disposal of property, plant and equipment	7	—
and after charging:		
Cost of inventories sold	49,233	85,783
Cost of properties sold	391,386	216,009
Depreciation (net of amount capitalised under properties under development of HK\$80,000 (2008: HK\$1,342,000))	3,020	1,735
Amortisation for leasehold land and land use rights (2008: net of amount capitalised under properties under development of HK\$8,481,000)	405	9,108
Net exchange losses	701	—
Operating lease rental for land and buildings	1,103	890
Loss on disposal of property, plant and equipment	—	61

8 TAXATION CHARGE

	2009 HK\$'000	2008 HK\$'000
Current taxation		
Hong Kong profits tax	—	27,505
Overseas taxation	92,301	34,542
Mainland China land appreciation tax	129,250	2,636
Deferred taxation	(16,980)	44,697
	204,571	109,380

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward. Taxation assessable on profits generated overseas has been provided at the rates of taxation prevailing in the countries 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 expenditure including lease charges of land use rights and all property development expenditures, which is included in the profit and loss statement as taxation charge.

9 INTERIM DIVIDEND

The Board has declared an interim cash dividend of HK\$24,704,000 (being 1 HK cent per share) (2008: an interim cash dividend of 1 HK cent per share totaling HK\$24,704,000). This amount will be accounted for as an appropriation of revenue reserves for the year ending 31 December 2009.

10 EARNINGS PER SHARE

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

	2009 HK\$'000	2008 HK\$'000
Profit attributable to shareholders	154,847	250,601
Effect of dilutive potential ordinary shares: Interest on convertible bonds, net of tax	—	722
Profit for calculation of diluted earnings per share	154,847	251,323

	2009	2008
Weighted average number of shares for calculating basic earnings per share	2,470,383,000	2,460,766,000
Effect of dilutive potential ordinary shares: Share options	99,000	3,414,000
Convertible bonds	—	19,713,000
Weighted average number of shares for calculating diluted earnings per share	2,470,482,000	2,483,893,000

The diluted earnings per share for 2009 is equal to the basic earnings per share since the exercise of the outstanding share options would not have a dilutive effect on the earnings per share.

11 CAPITAL EXPENDITURE

For the six months ended 30 June 2009, the Group incurred HK\$13 million (2008: HK\$2.5 million) on property, plant and equipment. The Group has disposed of HK\$1.7 million (2008: HK\$0.4 million) of property, plant and equipment.

12 DEBTORS AND PREPAYMENTS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Trade debtors, net of provision	10,612	12,693
Other debtors, net of provision	23,299	40,643
Land deposits, net of impairment	894,879	860,709
Prepayments and deposits	115,339	25,330
	1,044,129	939,375

Trade debtors mainly comprise receivable for sales of goods and rental. Rental from tenants is due and payable in advance. The terms for sales of goods vary and are determined with reference to the prevailing market conditions.

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 2009 HK\$'000	31 December 2008 HK\$'000
Within one month	8,698	10,757
Two to three months	1,913	1,816
Four to six months	1	120
	10,612	12,693

13 SHARE CAPITAL

	2009		2008	
	Ordinary Shares of HK\$0.10 each	HK\$'000	Ordinary Shares of HK\$0.10 each	HK\$'000
Authorised At 1 January and 30 June	5,000,000,000	500,000	5,000,000,000	500,000
Issued and fully paid				
At 1 January	2,470,383,196	247,038	2,458,690,508	245,869
Share options exercised (a)	—	—	340,000	34
Conversion of convertible bonds (b)	—	—	10,752,688	1,075
At 30 June	2,470,383,196	247,038	2,469,783,196	246,978

- (a) The Company operates a share option scheme under which options to subscribe for shares in the Company may be granted to Directors, senior executives or employees of the Company or its affiliates and other qualifying grantees. During the period, options to subscribe for 22,123,210 shares at the exercise price of HK\$0.938 per share were granted to eligible participants (2008: 7,933,000 shares at the exercise price of HK\$3.882 per share) and no options (2008: options to subscribe for 340,000 shares) were exercised. The fair value of options granted during the period, as determined by using the Black-Scholes valuation model, was HK\$5.7 million (2008: HK\$10.1 million).

The significant inputs into the model were share price of HK\$0.88 (2008: HK\$3.84) at the valuation date, exercise price at the date of granting the options, expected volatility of 49% (2008: 46%), expected life of options of 3 years (2008: 5.35 years), expected dividend paid out rate of 1.4% (2008: 3%) and annual risk-free interest rate of 1.14% (2008: 2.08%). The volatility measured at the standard deviation of expected share price returns was based on statistical analysis of daily share prices over the past 3 years (2008: 5.35 years). At 30 June 2009, options granted under the scheme are as follows:

Exercise period	Exercise price per share HK\$	Number of share options	
		30 June 2009	31 December 2008
1 March 2004 to 28 February 2013	0.720	199,000	199,000
22 October 2006 to 21 October 2011	1.906	5,900,000	5,900,000
27 November 2008 to 26 November 2017	4.636	11,885,000	12,861,000
27 November 2008 to 26 November 2017	3.882	4,169,000	5,819,000
3 March 2010 to 2 March 2014	0.938	21,552,820	—
		43,705,820	24,779,000

- (b) During the period, there was no conversion of convertible bonds.

During the period in 2008, convertible bonds with face value of HK\$20,000,000 were converted into 10,752,688 ordinary shares of the Company, of which HK\$1,075,269 was credited to share capital and the balance to the share premium account.

14 BORROWINGS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Long term bank loans		
Secured	2,165,806	1,971,568
Unsecured	2,337,711	1,983,476
Convertible bonds (a)	4,503,517	3,955,044
	—	18,096
Short term bank loans	4,503,517	3,973,140
Unsecured	793,078	770,547
Current portion included in current liabilities	5,296,595 (1,883,003)	4,743,687 (2,418,072)
	3,413,592	2,325,615

- (a) In March 2004, the Group issued an aggregate amount of HK\$864,260,000 0.5% guaranteed convertible bonds due in March 2009. The bonds were listed on the Luxembourg Stock Exchange and were convertible into shares of the Company on or after 23 April 2004 up to their maturity by 8 March 2009. The initial conversion price was HK\$2.25 per share, which was adjusted to HK\$1.88 per share in November 2005 and further to HK\$1.86 per share in January 2008 due to the payment of the special interim dividends. The bonds were redeemable at 91.49% of their principal amount on its maturity of 23 March 2009 according to relevant terms and conditions of the bonds. There was no conversion during the period and the Group redeemed the remaining 0.5% guaranteed convertible bonds with principal amount of HK\$20,000,000 upon their maturity.

15 CREDITORS AND ACCRUALS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Trade creditors	364,485	287,248
Other creditors	23,046	19,183
Amounts due to minority shareholders	149,347	119,146
Accrued operating expenses	32,129	32,379
Advanced proceeds on sale of properties	1,304,945	22,129
Deposits received	84,619	82,777
	1,958,571	562,862

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

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Within one month	363,296	285,936
Two to three months	1,157	1,295
Four to six months	16	—
Over six months	16	17
	364,485	287,248

16 COMMITMENTS

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Contracted but not provided for Commitments in respect of property developments of the Group and its jointly controlled entities	1,662,053	1,715,755

17 GUARANTEES

The Group and the Company has executed the following guarantees in favour of the following parties:

Group

	30 June 2009		31 December 2008	
	Outstanding HK\$'000	Utilised HK\$'000	Outstanding HK\$'000	Utilised HK\$'000
Banks and financial institutions in respect of loan facilities granted to:				
— jointly controlled entities	2,404,250	1,467,450	2,404,250	1,437,350
— associated companies	1,008,750	641,550	1,008,750	641,550
	3,413,000	2,109,000	3,413,000	2,078,900

Company

	30 June 2009		31 December 2008	
	Outstanding HK\$'000	Utilised HK\$'000	Outstanding HK\$'000	Utilised HK\$'000
Banks and financial institutions in respect of loan facilities granted to:				
— subsidiaries	5,474,443	3,990,445	5,952,747	4,016,144
— jointly controlled entities	2,404,250	1,467,450	2,404,250	1,437,350
— associated companies	1,008,750	641,550	1,008,750	641,550
	8,887,443	6,099,445	9,365,747	6,095,044
Convertible bondholders in respect of the convertible bond issued by a subsidiary	—	—	20,000	20,000
	8,887,443	6,099,445	9,385,747	6,115,044

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.

Other Information

DIRECTORS' INTERESTS IN SECURITIES

As of 30 June 2009, the interests and short positions of each director of the Company ("Director") in the ordinary shares of the Company ("Shares"), underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), if any, and the details of any right to subscribe for Shares and of the exercise of such rights, as required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in the Appendix 10 to the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange, were as follows:

(a) Shares

Name of Directors	Number of Shares (including Underlying Shares)			Total	Approximate % of Issued Share Capital
	Personal Interests	Family Interests	Corporate Interests		
Che-woo Lui	11,131,034	7,256,345 ⁽¹⁾	1,403,868,115 ⁽²⁾	1,422,255,494	57.57
Francis Lui Yiu Tung	5,878,035	—	—	5,878,035	0.24
Paddy Tang Lui Wai Yu	13,213,771	—	—	13,213,771	0.53
Sir David Akers-Jones	650,000	—	—	650,000	0.03
Michael Leung Man Kin	500,000	—	—	500,000	0.02
Leo Lee Tung Hai	1,050,000	—	—	1,050,000	0.04
Robin Chan Yau Hing	1,436,563	—	—	1,436,563	0.06
Robert George Nield	753,000	—	—	753,000	0.03
William Yip Shue Lam	—	—	—	—	—

Unless otherwise stated, all personal interests stated above were held by the respective Directors in the capacity of beneficial owners.

Notes:

- (1) Dr. Che-woo Lui is deemed to be interested in 7,256,345 Shares through the interests of his spouse.
- (2) These 1,403,868,115 Shares represent the aggregate of (i) 35,696,109 Shares held by Best Chance Investments Ltd., (ii) 3,095,377 Shares held by Po Kay Securities & Shares Company Limited; (iii) 85,448,000 Shares held by Favor Right Investments Limited; (iv) 1,086,035,985 Shares held by Super Focus Company Limited, (v) 135,435,613 Shares held by Premium Capital Profits Limited and (vi) 58,157,031 Shares held by Mark Liaison Limited. All the aforesaid companies are ultimately beneficially owned and controlled by Dr. Che-woo Lui.

(b) Underlying Shares — Share Options

Share options, which are unlisted and physically settled, to subscribe for Shares were beneficially held by certain Directors.

As of 30 June 2009, the particulars of the options held by each of the Directors, the employees of the Company and its affiliates (other than the Directors) in aggregate and other participants granted under the share option scheme of the Company were as follows:

Holders	Date of grant	Number of options				Held at 30 June 2009	Exercise price per Share (HK\$)	Exercise period
		Held at 1 January 2009	Granted during the Period ^(a)	Exercised during the Period	Lapsed during the Period			
Che-woo Lui	21 Oct 2005	1,350,000	—	—	—	1,350,000	1.9060	22 Oct 2006–21 Oct 2011
	27 Nov 2007	1,055,000	—	—	—	1,055,000	4.6360	27 Nov 2008–26 Nov 2017
	3 Mar 2009	—	3,517,500	—	—	3,517,500	0.9380	3 Mar 2010–2 Mar 2014
Francis Lui Yiu Tung	21 Oct 2005	1,340,000	—	—	—	1,340,000	1.9060	22 Oct 2006–21 Oct 2011
Paddy Tang Lui Wai Yu	21 Oct 2005	930,000	—	—	—	930,000	1.9060	22 Oct 2006–21 Oct 2011
	27 Nov 2007	940,000	—	—	—	940,000	4.6360	27 Nov 2008–26 Nov 2017
	24 Jan 2008	800,000	—	—	—	800,000	3.8820	27 Nov 2008–26 Nov 2017
	3 Mar 2009	—	3,133,400	—	—	3,133,400	0.9380	3 Mar 2010–2 Mar 2014
Sir David Akers-Jones	28 Feb 2003	150,000	—	—	—	150,000	0.7200	1 Mar 2004–28 Feb 2013
	27 Nov 2007	500,000	—	—	—	500,000	4.6360	27 Nov 2008–26 Nov 2017
Michael Leung Man Kin	27 Nov 2007	500,000	—	—	—	500,000	4.6360	27 Nov 2008–26 Nov 2017
Leo Lee Tung Hai	27 Nov 2007	500,000	—	—	—	500,000	4.6360	27 Nov 2008–26 Nov 2017
Robin Chan Yau Hing	21 Oct 2005	500,000	—	—	—	500,000	1.9060	22 Oct 2006–21 Oct 2011
	27 Nov 2007	500,000	—	—	—	500,000	4.6360	27 Nov 2008–26 Nov 2017
Robert George Nield	27 Nov 2007	500,000	—	—	—	500,000	4.6360	27 Nov 2008–26 Nov 2017
William Yip Shue Lam	—	—	—	—	—	—	—	—
Employees (in aggregate)	28 Feb 2003	49,000	—	—	—	49,000	0.7200	1 Mar 2004–28 Feb 2013
	21 Oct 2005	1,780,000	—	—	—	1,780,000	1.9060	22 Oct 2006–21 Oct 2011
	27 Nov 2007	8,366,000	—	—	976,000	7,390,000	4.6360	27 Nov 2008–26 Nov 2017
	24 Jan 2008	5,019,000	—	—	1,650,000	3,369,000	3.8820	27 Nov 2008–26 Nov 2017
	3 Mar 2009	—	15,472,310	—	570,390	14,901,920	0.9380	3 Mar 2010–2 Mar 2014

Notes:

- (a) The closing price of the Shares immediately before the date on which the options were granted during the Period was HK\$0.88 per share.

On 3 March 2009, the Company granted 22,123,210 share options (all at subscription price of HK\$0.938 per share) to Directors and selected employees of the Company and its affiliates, of which 570,390 share options have since lapsed.

The fair value of the share options granted during the Period is set out in Note 13(a) to the Interim Financial Information.

Other Information

Except for the options granted on 24 January 2008 which vested on 27 November 2008, the other options granted were subject to a one-year vesting period.

No option was cancelled during the Period.

All the interests stated above represent long positions.

Save as disclosed above, as of 30 June 2009, none of the Directors had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As of 30 June 2009, the interests of every person (not being a Director or chief executive of the Company) in the Shares and underlying shares in the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange were as follows:

Name of Shareholders	Number of Shares (Long Position)	Approximate % of Issued Share Capital
Super Focus Company Limited	1,086,035,985 ⁽¹⁾	43.96
Penta Investment Advisers Limited	245,895,182 ⁽²⁾	9.95
Mr. John Zwaanstra	245,895,182 ⁽³⁾	9.95
Star II Limited	193,592,644 ⁽¹⁾	7.84
UBS AG	172,041,466 ⁽⁴⁾	6.96
Penta Asia Long/Short Fund, Ltd.	136,182,068 ⁽⁵⁾	5.51

Notes:

- (1) Super Focus Company Limited and Star II Limited were beneficially interested in 1,086,035,985 Shares and 193,592,644 Shares respectively and both are solely owned and controlled by Dr. Che-woo Lui.
- (2) Penta Investment Advisers Limited ("Penta Investment"), a company which is 100% controlled by Mr. John Zwaanstra, was interested in 245,895,182 Shares in the capacity of investment manager. Among the interests owned by Penta Investment, 121,004,672 Shares were unlisted cash settled derivative interests.
- (3) By virtue of the SFO, Mr. John Zwaanstra was deemed to have interests in the 245,895,182 Shares referred to in note (2) hereof through his 100% interest in Penta Investment. Among the interests owned by Mr. John Zwaanstra, 121,004,672 Shares were unlisted cash settled derivative interests.
- (4) UBS AG was beneficially interested in 127,176,672 Shares and was deemed to have interests in 44,864,794 Shares by taking a security interest therein.
- (5) Penta Asia Long/Short Fund, Ltd. was beneficially interested in 136,182,068 Shares. Among the interests owned by Penta Asia Long/Short Fund, Ltd., 93,270,000 Shares were unlisted cash settled derivative interests.

There was duplication of interest of 245,895,182 Shares held by Penta Investment, which Mr. John Zwaanstra was deemed to have interests in. Of these 245,895,182 Shares, 136,182,068 Shares were held by Penta Asia Long/Short Fund, Ltd., in which Penta Investment was interested in the capacity of investment manager.

Save as disclosed above, as of 30 June 2009, the Company had not been notified by any persons who had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

RULE 13.22 OF THE LISTING RULES

As of 30 June 2009, the Group had given financial assistance and guarantees to financial institutions for the benefit of its affiliated companies. In compliance with the requirement of rule 13.22 of the Listing Rules, the combined balance sheet of the affiliated companies as at the balance sheet date is disclosed as follows:

	Combined balance sheet HK\$'000	Group's attributable interest HK\$'000
Non-current assets	387,321	158,767
Current assets	21,004,287	5,207,122
Current liabilities	(546,376)	(204,982)
	20,845,232	5,160,907
Share capital	766,774	318,207
Reserves	997,555	417,758
Amounts due to shareholders	10,037,981	2,285,679
Non-current liabilities	9,042,922	2,139,263
	20,845,232	5,160,907

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

During the Period, the Company redeemed all the outstanding principal of 0.5% guaranteed convertible bonds due 2009 ("Bonds") of HK\$20 million at 91.49% of the principal amount per Bond on 23 March 2009, being the maturity date ("Redemption"). The total outstanding principal amount of the Bonds redeemed is HK\$20 million and the 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 23 March 2009 is HK\$18,347,580.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's securities during the Period.

AUDIT COMMITTEE

The Audit Committee of the Company has met on 10 September 2009 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.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as the Company's Code of Conducts for Securities Transactions by Directors ("Model Code"). Having made specific enquiries with all its Directors, the Company confirms that during the Period all its Directors have complied with the required standards as set out in the Model Code.

Other Information

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 Listing Rules. 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 2008 Annual Report (“2008 Annual Report”), still holds. The Board will continue to review and recommend such steps and action as appropriate in the circumstances of such deviations. Since the 2008 Annual Report, Mr. Hui Ki On resigned as executive director and managing director (acting) of the Company on 6 January 2009. Dr. Che-woo Lui was appointed as managing director of the Company on 6 January 2009. Mr. Lam Kwong Yu retired as executive director and a member of the Executive Board of the Company at the conclusion of the annual general meeting on 3 June 2009. Professor Poon Chung Kwong and Dr. Moses Cheng Mo Chi were appointed, respectively, as independent non-executive director and as non-executive director of the Company, both effective on 1 August 2009.

UPDATE ON DIRECTORS’ INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Ms. Paddy Tang Lui Wai Yu, *BBS, JP*

Ms. Lui was awarded with the Bronze Bauhinia Star by the Government of the HKSAR on 1 July 2009 and has been elected as a member of the General Committee of The Chamber of Hong Kong Listed Companies on 31 July 2009.

CLOSURE OF REGISTERS OF MEMBERS

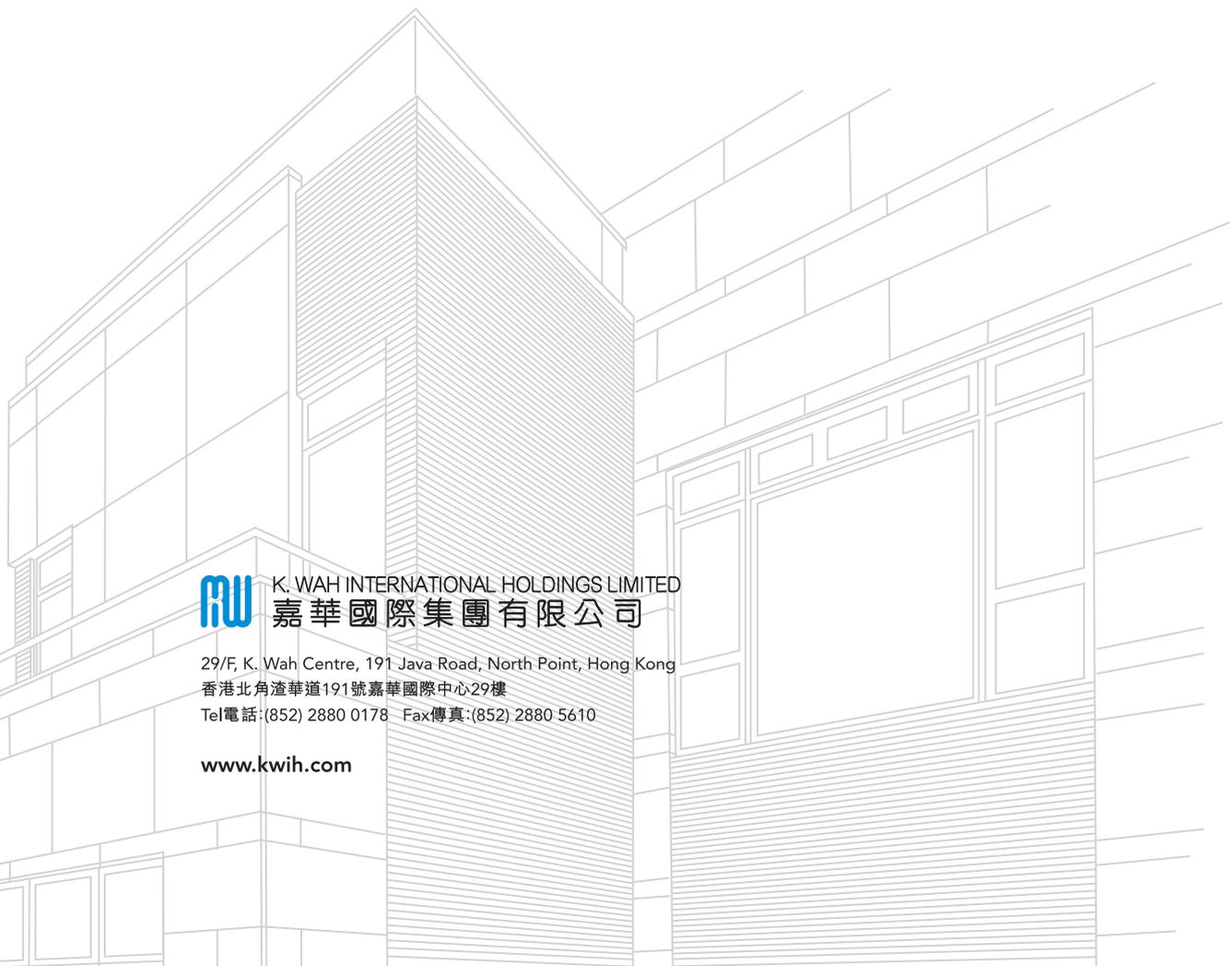
The registers of members will be closed from 5 October 2009 to 9 October 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, shareholders must ensure that all duly completed transfers together with the relevant share certificates are 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 2 October 2009.

By Order of the Board

Cecilia Lee Wai Kwan

Company Secretary

Hong Kong, 17 September 2009



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