

Press Release
[For Immediate Release]

**KWIH Announces 2017 Interim Results
Profit Attributable to Shareholders Grew 14% to HK\$2.2 Billion
Interim Dividend of 5 HK Cents Per Share**

* * * * *

**Attributable Contracted Sales Reached HK\$10.3 Billion in 1H 2017
Underpinning Future Profit**

(Hong Kong — 23 August 2017) **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 2017.

During the period under review, the Group recorded satisfactory sales for the quality projects launched in Hong Kong and Mainland China, as a result of its sound and shrewd strategies. In the first half of 2017, attributable contracted sales grew more than 54% year-on-year to HK\$10.3 billion, assuring the Group of a strong cash flow as well as a solid foundation for future profit. Attributable revenue¹ was HK\$5.2 billion. Profit attributable to shareholders was HK\$2.2 billion, up 14%. The Board declared an interim dividend of 5 HK cents per share, in line with KWIH’s commitment to offering stable return to shareholders.

Attributable revenue¹ was primarily derived from the sales of The Palace II and Grand Summit in Shanghai, J Metropolis and Le Palais in Guangzhou and Silver Cove in Dongguan. In addition, the Group continues to expand its investment property portfolio. The recurring income, mainly from J SENSES in Hong Kong, Shanghai K. Wah Centre, Stanford Residences Jing An and Crowne Plaza Guangzhou Huadu and office, increased by 10% year-on-year to HK\$250 million.

Dr Lui Che-woo, Chairman of KWIH, said, “In the first half of 2017, the Group sustained its solid performance despite market challenges and continual austerity measures in Hong Kong and Mainland China property markets. Among which, K. City in Hong Kong has been well received and satisfactory sales were recorded since its launch in February. Besides, the Group participated in successful bids for premium projects in Nanjing and Hong Kong respectively in the first half of the year, providing growth momentum to our long-term sustainable business development.”

¹Including joint ventures and associated companies

Remarkable sales recorded for quality projects in Hong Kong and Mainland China

In Hong Kong, K. City in the Kai Tak Development Area was launched at a timely window and received overwhelming responses from buyers. By the end of July this year, more than 90% of the units were sold. Besides, our premium West Rail Line project, The Spectra, recorded satisfactory sales with more than 95% of the units being sold by the end of July this year.

In the Yangtze River Delta region, Grand Summit in Jingan District, the city centre of Shanghai, reported satisfactory sales in its remaining units. We also launched the second batch of units in The Peak in Nanjing in July this year, and satisfactory sales were achieved.

In the Pearl River Delta region, J Metropolis and Le Palais in Guangzhou as well as Silver Cove in Dongguan received warm responses from buyers, confirming the strong recognition of the “K. Wah” brand for its quality properties.

Projects earmarked for launch in 2017/2018

Hong Kong: Residential project in Pak Shek Kok, Tai Po

The project is located in Pak Shek Kok, Tai Po. Construction is well underway while application for pre-sale consent has been submitted. The project is adjacent to various developed projects and thus enjoys the benefit of comprehensive ancillary facilities in the proximity.

Yangtze River Delta: The Palace III, Windermere and Azure in Shanghai and Royal Creek in Nanjing

Riding on strong sales for The Palace II and Grand Summit, the two top-notch luxury residential projects in Shanghai, in 2016, the Group plans to launch, subject to market conditions, The Palace III, Windermere, a low density residential project in Zhujiajiao, and Azure, a quality residential project in Jinqiao of Pudong District. Located in Pukou District, Nanjing, the site G87 is named Royal Creek, and the first batch of units is expected to be launched in the fourth quarter this year.

Pearl River Delta: J Metropolis Phase IV in Guangzhou and Silver Cove Phase III in Dongguan

J Metropolis, a large-scale integrated project in Huadu District of Guangzhou, has been well received by buyers. The Group, subject to market conditions, plans to launch J Metropolis Phase IV to cater for the market demand. Besides, the Group will launch Silver Cove Phase III in Dongguan at a good timing to satisfy strong home buying sentiments.

Investment property portfolio expanded for a steady increase in recurring income

The Group continues to expand its investment property portfolio to boost its recurring income and cash flow. During the period under review, Shanghai K. Wah Centre reported a high occupancy rate at 95%. The occupancy rate of Stanford Residences Jing An in Grand Summit, Shanghai, reached 85%. These two projects, with their prime locations and premium services, earned solid recognitions in the market. The first batch, 66 units, of Stanford Residences Xu Hui in The Palace started operation in June this year. The second batch of units is expected to come into operation in the first quarter next year. J Town, the commercial portion of Silver Cove in Dongguan, is scheduled to soft open in the third quarter this year. The operation of Stanford Residences Jin Qiao in Azure, Shanghai, is expected to commence in the fourth quarter of the year. Upon completion of the commercial portions in various development projects in the coming few years, the GFA of the Group's investment properties will be steadily increased.

Strong liquidity with gearing ratio at 16%

During the period under review, KWIH maintained a sound financial position. As at 30 June 2017, the Group's gearing ratio was 16%. Meanwhile, the Group continued to enjoy low borrowing cost at an average of 2.1%. With the HK\$8 billion 5-year revolving credit and term loan facility with a consortium of 15 banks in January this year executed, the Group has sufficient funds to support sustainable development of its business. KWIH will continue to select premium sites on a selective basis, with a view to sustaining solid momentum for future business growth.

Two premium plots added in prudent yet aggressive manner

Following the acquisition of a Kai Tak site and another in Jiangning District, Nanjing, in late 2016, the Group participated in the development of a residential project in Pukou District, Nanjing in January this year. The site located in the area which is designated for high-tech companies and innovative ventures and surrounded by ample education resources. In addition, the Group won the tender to develop the phase one of a project at West Rail's Kam Sheung Road Station in May this year. The development will become a quality residential project that enjoys a comprehensive railway network. The Group participated in developing other West Rail residential project in the past, for example, The Spectra at the Long Ping Station, with strong sales being recorded. KWIH is confident in residential projects along railway stations.

Dr Lui concluded, "The Group will continue to select quality land parcels in Hong Kong, the Yangtze River Delta and Pearl River Delta regions in a prudent yet progressive approach. In addition, the Group will expand its investment property portfolio to increase recurring income and cash flow. We aim to fuel our two core businesses in property development and investment for a sustainable, long-term development."

- 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 premium residential developments, Grade-A office towers, retail spaces, hotel and serviced apartments. Driven by a keen market sense and a versatile strategy, and backed by strong financial capability, KWIH has built up a sizeable and prime land reserve in major cities of China, and thus a strong foothold for future growth.

KWIH is a constituent stock of the Hang Seng Composite MidCap Index and MSCI China Small Cap Index as well as an eligible stock under the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect programmes. KWIH held a 3.8% stake in Galaxy Entertainment Group Limited (stock code: 00027) as of 30 June 2017.

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



Media Enquiries :

K. Wah International Holdings Limited

Shelly Cheng Tel : (852) 2880 1853 Email : shellycheng@kwah.com

Keith Hon Tel : (852) 2960 3314 Email : keithhon@kwah.com

Helen Yu Tel : (852) 2880 8270 Email : helenyu@kwah.com

Fax : (852) 2811 9710

Strategic Financial Relations Limited

Iris Lee Tel : (852) 2864 4829 Email : iris.lee@sprg.com.hk

Maggie Au Tel : (852) 2864 4815 Email : maggie.au@sprg.com.hk

Kylie Chan Tel : (852) 2114 4990 Email : kylie.chan@sprg.com.hk

Fax : (852) 2527 1196