

KWIH to speed up property development in Yangtze River Delta and Pearl River Delta regions

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Over 10 projects to be launched over the next few years

(Hong Kong, 3 June 2009) – **K. Wah International Holdings Limited** (“KWIH” or “the Group”) (stock code: 173) is speeding up its business development in the Yangtze River Delta and Pearl River Delta regions. More than 10 development projects with gross floor area (“GFA”) totaling two million square metres (“sqm”) in Shanghai, Guangzhou and Hong Kong are earmarked for launch in the next few years.

At the press conference following the Group’s Annual General Meeting, **Dr Che-woo Lui, Chairman of KWIH**, expressed his optimism about the prospects of Shanghai, Guangzhou and Hong Kong. “Shanghai and Guangzhou are well positioned to benefit from a series of key developments. These include the Central Government’s plan to build Shanghai into an international financial and shipping centre, and position Guangzhou as the hub of the ‘One-hour Economic Circle’ of the Pearl River Delta; as well as the advent of the 2010 Shanghai World Expo and Guangzhou Asian Games. Overall competence and strategic role of these two cities are set to be further strengthened, which will in turn set a favourable backdrop for our property business,” he added that the wealth of experience and expertise that the Group acquired in Hong Kong will certainly add value to its projects in Mainland China.

Projects to be launched in phases to coincide development of Shanghai as world financial and shipping centre

The Group is currently developing four premium projects with total GFA reaching 500,000 sqm in various prime locations in Shanghai. To fetch the best returns and to fulfill the needs arising from the accelerating development of Shanghai, the projects are carefully planned and will be launched in phases.

Of the four projects, **Shanghai Westwood II** which was launched in late 2008, has had over 970 units sold to date, representing over 90% of total. Earning the accolade as one of the 10 most popular residential projects in Shanghai, it has also topped its peers in total number of units and GFA sold since its launch. To ride on the momentum, the Group plans to launch the remaining units in the second half of 2009. The project is expected to be completed this year and with all units sold, the Group would be able to generate over RMB2 billion in cash proceeds.

The strong sales reported by Shanghai Westwood II have prompted the Group to accelerate development of **Shanghai Westwood III**. With total GFA of about 110,000 sqm, the project is scheduled for launch in 2010.

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Furthermore, two prime projects in **Xuhui and Jingan Districts** are proceeding on schedule. The Group plans to launch them in phases starting 2010. The Xuhui District Project comprises high-end residential and serviced apartments whereas the Jingan District Project features luxurious residence.

The Group believes that the unparalleled locations in proximity to the vibrant central business district are added advantages for the projects to capture the opportunities brought by Shanghai's transformation into an international financial centre.

As for the **Min Hang District Project** on the drawing board, it will be a luxurious residential and commercial project, with the first phase scheduled for launch in 2011.

Five-star hotel and office premises built at Huadu, Guangzhou, to benefit from convenient railway access

Positive on the immense development potential in Huadu District, Guangzhou, the Group made an early move to acquire a quality parcel of land at low cost in the area close to the new Guangzhou Baiyun International Airport. These large-scale integrated developments are namely the **Huadu Airport CBD Project, Huada Mega Integrated Project** and **Jianshebei Road Project**.

Huadu District, located in northern Guangzhou, is a transportation hub in Pearl River Delta and a gateway to the hinterland of China. An industrial zone and home to four major industries namely logistics, automobile, jewellery and leather goods, Huadu enjoys the position as one of the fastest-growing districts with huge development potential.

Huadu also benefits from Guangzhou's strategic role as a hub of the "One-hour Economic Circle" in Pearl River Delta. In addition to the New Baiyun International Airport, the planned Wuhan–Guangzhou Railway and imminent construction of Guangzhou Metro route no. 9 will make a stronger transportation network and accessibility in the area. Scheduled for completion in 2012, one of the Metro stations will be located adjacent to the Group's Huadu Airport CBD Project. The Group believes the enhancement of infrastructure will bolster the socio-economic developments in South China as well as in Huadu. Furthermore, the 16th Asian Games to be held in Guangzhou in 2010 will also fuel up the development of the city.

The Group's **Huadu Airport CBD Project** will be developed into an integrated commercial zone. The first phase will comprise a five-star hotel managed by Crowne Plaza and an office building. The project with GFA of approximately 320,000 sqm is expected to be completed in 2010. The Group sees continuous prosperity for the district which will push up demand for residential properties, hotels and offices.

Improving sentiment of Hong Kong market offers opportune timing to launch remaining units of The Great Hill

In Hong Kong, with interest rates prevalently low and a more stabilized stock market, sentiment has gradually improved. The Group expects these factors plus limited property supply will boost the confidence of home buyers and investors.

The Group's luxury residential project **The Great Hill** in Shatin acclaimed for its quality has been well received by the market. The Group intends to market the remaining seven houses and 33 special units with GFA totaling approximately 11,000 sqm in the second half of 2009.

Moreover, the Group has begun works on a range of quality projects. The wholly-owned luxury residential development at **Shiu Fai Terrace in Mid-levels East**, with GFA of approximately 6,340 sqm, will be launched in 2010. Projects in **Pak Shek Kok, Tai Po, Welfare Road in Aberdeen** and **Hoi Wang Road in West Kowloon** featuring high-end residence, are jointly developed with other major developers and will be launched in 2011 and beyond.

Strong financial position

The Group's financial position remains solid with available funds of over HK\$4 billion, which will suffice the Group to perpetuate its future development.

The Group's project launch timetable

	Projects	Total GFA (sqm)	Interest	2009	2010	2011 & beyond
Shanghai	Shanghai Westwood II	130,000	100%	✓		
	Xuhui Jianguo West Road	140,000	100%		✓	✓
	Jingan Yanjiazhai	100,000	99%		✓	✓
	Shanghai Westwood III	110,000	100%		✓	✓
	Min Hang Project	170,000	100%			✓
Guangzhou	Huadu Airport CBD Project	323,000	100%		✓	✓
	Huadu Mega Integrated Project	1,147,000	99.9%			✓
	Huadu Jianshebei Road Project	46,000	100%			✓
Hong Kong	The Great Hill – Penthouses and Houses	11,000	100%	✓		
	6 Shiu Fai Terrace, Stubbs Road	6,340	100%		✓	✓
	Pak Shek Kok, Tai Po (Lot No. 188)	69,700	25%			✓
	Pak Shek Kok, Tai Po (Lot No. 186)	66,500	15%			
	West Kowloon Integrated Business District	60,500	15%			✓
	HK Island South: Welfare Road, Aberdeen	60,000	35%			✓

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Caption (from left to right)

Mr. Alex Lui, Managing Director – Hong Kong Properties

Dr. Che-woo Lui, Chairman

Mr. David Ng, Director – Shanghai Operations

Mr. Eymon Tsang, Director – Corporate Finance

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

K. Wah International Holdings Limited, listed in Hong Kong in 1987, is the property flagship of K. Wah Group. KWIH aims at establishing a position of large-scale integrated property developer and investor in the Greater China region. With a property portfolio encompassing premium residential developments, Grade-A office towers, retail spaces, hotels and serviced apartments, KWIH has a presence in Hong Kong, Shanghai, Guangzhou and Southeast Asia. Driven by a keen market sense and a versatile strategy, and backed by strong financial capability, KWIH has built up a sizeable and prime land reserve in major cities of China, and thus a strong foothold for future growth. KWIH has received several international accolades for its outstanding quality and service. Awarded Business Superbrands in the property development sector in 2006, KWIH was also the only winner in the Hong Kong Property Developer category of the High-Flyer Outstanding Enterprises consecutively in 2006 and 2007.

Company website: <http://www.kwih.com>

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