

Press Release
For Immediate Release

KWIH Announces 2014 Interim Results ***

Core Business Remains Solid Interim Dividend Maintained at 5 HK Cents Per Share

Prime Project in Shanghai, Grand Summit, Poised for Launch

(Hong Kong—25 August 2014)—**K. Wah International Holdings Limited** (“KWIH” or the “Group”) (stock code: 0173) today announced its unaudited interim results for the six months ended 30 June 2014.

During the review period, the Group recorded stable performance in its core business by launching property projects with a commitment to quality and excellence. In the first half of 2014, the Group recorded attributable¹ revenue of HK\$1.0 billion, which was mainly derived from the property sales of The Palace and Upstream Park in Shanghai, The Summit in Jiangmen, the joint venture project of Marinella (35% owned by the Group) in Hong Kong, as well as from the rental income of Shanghai K. Wah Centre. Attributable¹ contracted sales of the Group amounted to approximately HK\$1.4 billion, mainly derived from the aforementioned projects under sales, Le Palais and Phase I of J Metropolis in Guangzhou, as well as the joint venture project of Mayfair By The Sea I (15% owned by the Group) in Hong Kong launched this June. Of the attributable contracted sales of the Group during the period, approximately HK\$0.8 billion was recognized in the accounts of the Group for the first half of 2014.

Profit attributable to equity holders of the Company during the period was HK\$200 million. Basic earnings per share was 7.9 HK cents. The Board of Directors recommended the payment of an interim dividend of 5 HK cents per share, striving to maintain stable returns for shareholders.

¹ Including contributions from the Group, joint ventures and associated companies

Dr Lui Che-woo, Chairman of KWIH, said, “The business environment in the first half of the year generally remained challenging, as the various property market cooling measures promulgated by Mainland China and Hong Kong were still in force. The Group continued to develop high quality niche projects during the review period, including Mayfair By the Sea I, a newly launched joint venture project that has enjoyed an enthusiastic market response and satisfactory sales since its debut in June. The Group also acquired two quality sites in the first half 2014, one located at Kai Tak Development Area, Kowloon, Hong Kong and the other in Xihu District, Shilong, Dongguan, for a total of more than HK\$3 billion in land premium payments. These land parcels will help drive the Group’s sustainable business development.”

Land bank replenishment drives sustainable business development

Capitalizing on its ample financial resources, the Group has invested more than HK\$10 billion to acquire nine parcels of land in Hong Kong and Mainland China over the past two years, including the land parcels located at Kai Tak in Hong Kong and Xihu District, Shilong in Dongguan, with a total of more than HK\$3 billion in land premium payments in the first half of this year. All of these projects are situated in locations supported by good accessibility and comprehensive ancillary facilities, giving them outstanding development potential. Properties already launched or under development and planning cover a total GFA of approximately 1.8 million sqm. These quality assets are mainly located in first-tier cities such as Hong Kong, and Shanghai and Guangzhou in Mainland China. Currently, the development of more than 20 projects is on schedule, and sales of these projects will commence at an opportune time.

New projects to be launched in the second half of the year including Grand Summit, a signature project in Shanghai’s city centre

Yangtze River Delta: Grand Summit, a prime project in Jingan District, Shanghai, is set for launch soon

Despite the property cooling measures still in force in Mainland China, market demand for quality residential properties remained strong. The Group is planning to launch several new projects to cater for this demand. In the Yangtze River Delta, the Group’s latest large-scale luxurious residential project, Grand Summit in downtown Shanghai, was unveiled in early August. Situated in a pre-eminent residential area

in Jingan District, Shanghai, the project enjoys close proximity to Jingan Temple and Nanjing West Road, with convenient accessibility supported by an extensive transportation network. Boasting a highly efficient layout with south-facing units and an exclusive luxurious private club, Grand Summit is expected to come into the limelight upon launch in the near future.

Pearl River Delta: Debut of Silver Cove in Dongguan and Phase II of J Metropolis in Guangzhou

To address the strong market demand for quality developments in the Pearl River Delta, the Group plans to launch Silver Cove, a signature large-scale riverside project in Dongguan, and Phase II of J Metropolis in Guangzhou this year. As the Group's first-ever project in Dongguan, Silver Cove is ideally located on Xihu Middle Road in Xihu District of Shilong Town where three rivers converge, allowing residents to enjoy panoramic views of the East River to the north. Situated at a major traffic hub connecting Guangzhou, Shenzhen and Hong Kong, the project is only 750 metres away from the new Dongguan Train Station and well connected to the Guanshen Express Highway, the Eastern Expressway and Shilong Station of the R2 Lightrail Line. With comprehensive ancillary facilities such as parks, schools, department stores and large hotels, topped off by the Group's commitment to excellence, the project is set to become a signature riverside luxury residential project in this market.

Hong Kong: Launch of the new Mayfair By The Sea I project and continued sales of special units of Marinella and Chantilly

Mayfair By The Sea I, a new project nestled between the mountains and the sea at Pak Shek Kok overlooking the magnificent scenery of Tolo Harbour, debuted in June. The project drew a positive market response, with nearly 70% of the units sold by late June. Four special units of Marinella, a distinctive luxury residential property in the Southern District of Hong Kong, were sold in the first half of 2014 with the price per square foot setting a new high for the district, testifying to the appeal of the Group's projects. The Group will continue to market existing special units of Marinella and Chantilly at an opportune time. For the other joint venture projects, Providence Bay and Providence Peak, the Group will launch their remaining units according to market conditions.

As for the newly acquired land parcels in Hong Kong, construction works for Tseung Kwan O Town Lot Nos. 115 & 117 and Yuen Long Town Lot No. 513 have been progressing according to schedule whereas planning for the development of Kai Tak Area 1I Site 2 acquired in the first half of 2014 has begun, thereby sustaining the Group's long-term development.

A solid financial position with sufficient liquidity for future development

Adhering to the principle of prudent financial management, the Group has maintained a solid financial position. As at 30 June 2014, the Group had cash and bank deposits of HK\$4.8 billion, and available undrawn facilities of HK\$10.8 billion adding up to HK\$15.6 billion of available capital. The gearing ratio remained at a satisfactory level of 36%. In March 2014, the Group secured four-year and five-year syndicated loans totalling HK\$3,980 million from 10 banks with favourable interest rates. The Group also issued HK\$450 million seven-year fixed rate notes under its MTN programme through private placements, which extended the maturity of the Group's debt profile to seven years and increased its financial flexibility. The Group intends to simultaneously move forward the construction work of a number of projects and accelerate their development cycles. It will also evaluate every investment opportunity to support the future development of the Group.

An expanding portfolio of investment properties to increase recurring income

KWIH intends to enhance shareholder value by expanding its investment property portfolio and increasing recurring income. The Group aims to double the GFA of its investment properties to 200,000 sqm in the next three to four years. Part of this objective will be attained by retaining 55,000 sqm of GFA from The Palace and Grand Summit, two prime projects in the heart of Shanghai, as serviced apartments. Preparation for marketing the launch of approximately 29,000 sqm in Grand Summit will begin in November to get ready for leasing. In March 2014, the Group completed the acquisition of its remaining interests in J SENSES from the Urban Renewal Authority in Hong Kong.

Dr Lui concluded, “Guided by the principle of prudence in financial management and supported by robust liquidity, KWIH will continue to push forward the concurrent development of our various projects, shorten their development cycles, capture suitable investment opportunities and replenish our land bank in Hong Kong, the Yangtze River Delta and the Pearl River Delta regions on a disciplined basis, so as to ensure sustainable business development. With KWIH set to become a constituent stock of the Hang Seng Composite MidCap Index in September, coupled with its well-defined development plan, the Group is expected to gain more support from investors in Mainland China and Hong Kong and deliver better value for our shareholders.”

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Photo captions

Photo 1: (From left) Alexander Lui, Executive Director; Dr Lui Che-woo, Chairman; Paddy Lui, Executive Director; Herbert Hui, Chief Financial Officer of KWIH



Photo 2 : Dr Lui Che-woo, Chairman of KWIH



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

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 The Pearl River Delta and Yangtze River Delta regions, KWIH encompasses a portfolio of premium residential developments, Grade-A office towers, retail spaces, hotels 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 currently has a 3.8% stake in Galaxy Entertainment Group Limited (stock code: 27).

KWIH has received several international accolades for its outstanding quality and service. Honoured with Business Superbrands in the property development sector, KWIH was twice awarded the High-Flyer Outstanding Enterprises and the Top 10 Developers Award by BCI Asia. Its signature project, Marinella, achieved the Platinum Rating of Final Assessment under the BEAM Plus NB V1.1 of the Hong Kong Green Building Council. In addition, KWIH was voted as the first runner-up under the category of Hong Kong Best Mid-Cap in Asia’s Best Companies 2013 Poll conducted by *FinanceAsia*.

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