

Press Release
For Immediate Release

KWIH Announces 2014 Annual Results

**Profit Attributable to Equity Holders Amounts to HK\$1.8 Billion
Dividend for the Year Maintains at 15 HK cents per Share**

Launching New Projects in Hong Kong and Mainland China This Year

(Hong Kong, 26 March 2015) – **K. Wah International Holdings Limited** (“KWIH” or “the Group”) (stock code: 0173) today announced its annual results for the year ended 31 December 2014.

During the year under review, the Group continued to launch a number of quality projects which contributed to solid performance of its core business. Revenue for the year totalled HK\$2.4 billion, mainly attributable to the property sales of Chantilly in Hong Kong, Grand Summit, The Palace and Upstream Park in Shanghai, Le Palais and J Metropolis Phase 1 in Guangzhou, The Summit in Jiangmen, as well as rental income from Shanghai K. Wah Centre. Attributable revenue, taking into account joint ventures and associated companies, amounted to HK\$2.8 billion, made up of contributions from Marinella (35% owned by the Group), Providence Peak (25% owned by the Group) and Providence Bay (15% owned by the Group) in Hong Kong. Attributable contracted sales of the Group during the year amounted to approximately HK\$3.3 billion, with HK\$2.4 billion recognized in the accounts of the Group for 2014. Projects that are yet to be recognized in the accounts include Silver Cove in Dongguan and Mayfair By The Sea I (15% owned by the Group) in Hong Kong.

Profit attributable to equity holders of the Company for 2014 was HK\$1.8 billion, an increase of 11% year-on-year. Basic earnings per share was 65.69 HK cents. The Board of Directors recommended the payment of a final dividend of 10 HK cents per share. Together with the interim dividend of 5 HK cents per share, total dividend for the year was 15 HK cents, as the Group commits to maintaining stable dividend payment.

Dr Lui Che-woo, Chairman of KWIH, said, “The property markets in Hong Kong and Mainland China continued to be challenging in 2014. KWIH continued to record solid results for its core business on the back of its niche quality projects. Upholding the standard of the respected K. Wah brand, the distinctive design and outstanding quality, we believe our projects will receive the acclaim of home buyers seeking for a better quality of life. We pay careful attention to the finest details during construction to enhance the overall effectiveness. Together with a strong and well-defined project development pipeline and marketing plan, we aim at realizing continuous asset turnover.”

The Group is committed to developing properties with exquiteness and uniqueness for the market. Currently, the quality projects of the Group are mainly located in first-tier cities such as Hong Kong, Shanghai and Guangzhou. KWIH will continue to replenish land bank in a disciplined manner. This together with the well-defined development pipeline and marketing plan will help the Group to achieve continuous asset turnover. The Group will continue to expand its investment property portfolio as planned to increase its recurrent income and support its stable dividend payment. These objectives will help the Group to sustain its long-term business development with the backing of solid financial positions.

New projects to be launched in Hong Kong and Mainland China for continuous asset turnover

The nine projects, bought for over HK\$10 billion, since the second half of 2012 has begun to launch gradually. The projects launched, under development or in planning are located in easily accessible communities with comprehensive ancillary facilities and infrastructure. In response to the buoyant demand for quality residential properties, the Group intends to launch a number of new projects this year. With a strong and well-defined project development pipeline and marketing plan, the Group will maintain its continuous business development.

Hong Kong: To launch three quality projects along the MTR lines – Twin Peaks and Corinthia by The Sea in Tseung Kwan O and Long Ping Station project in Yuen Long

To meet the demand for small- to medium-sized properties in Hong Kong, the Group has extended its experience from the development of high-end properties to build quality properties with innovative design and high effectiveness. The three projects earmarked for launch this year include Twin Peaks and Corinthia by The Sea in Tseung Kwan O, and Long Ping Station project in Yuen Long, all of which are located in well-developed areas along the railway lines with a diverse range of ancillary facilities. Twin Peaks has obtained the pre-sale consent earlier and started the promotion campaign with the opening of show flat. The project is expected to launch for sale in the near term.

Furthermore, the Group's two premium luxurious property projects, Marinella and Chantilly, recorded a number of transactions last year. KWIH will continue to market these projects this year. The planning of Kai Tak Area 11 Site 2 in Kowloon, acquired in 2014, is underway.

Yangtze River Delta: Two luxury residential properties in Shanghai, Grand Summit and The Palace Phase 2, will be launched

Grand Summit, a luxury project located in the heart of Jingan, Shanghai, has been the market focus since its launch last September with its magnificent view, high-end ancillary facilities, the luxurious clubhouse and first-class property management services. With its satisfactory sales performance, the Group will continue to market the units this year. The Palace Phase 2, another high-end project located in a prime location in Xuhui district, is scheduled to be launched this year upon approval of the pre-sale consent.

Pearl River Delta: Debut of J Metropolis Phase 2 and J Wings in Guangzhou. Plan to launch J Metropolis Phase 3, and continue sales of Silver Cove in Dongguan

The Group has launched the large-scale quality residential project, J Metropolis Phase 2 in Guangzhou earlier this year, followed by a premium

project J Wings in the heart of Huadu District. Depending on market conditions, the Group looks to launch J Metropolis Phase 3 and continue to market Silver Cove in Dongguan.

Land replenishment in Hong Kong and Mainland China

During the year, the Group acquired a land parcel in Kai Tak, Kowloon, for HK\$2.9388 billion and another piece of land adjacent to the Silver Cove project in Shilong, Dongguan, for RMB115 million. Looking ahead, the Group will continue to replenish its land bank in first-tier cities such as Hong Kong, Shanghai and Guangzhou in a disciplined manner, so as to sustain business development.

Expansion of investment property portfolio to increase recurring income

In addition, the Group is expanding its investment property portfolio from the current 130,000 sqm to 200,000 sqm of GFA in two to three years, so as to increase its recurrent income. Of these projects, Stanford Residences in the Group's Grand Summit project has commenced leasing in the first quarter of 2015. A number of units at The Palace will also be reserved as serviced apartments. On the other hand, the existing investment property portfolio made up of Shanghai K. Wah Centre, J SENSES in Hong Kong, and Crowne Plaza Guangzhou Huadu and office continues to generate recurring income for the Group.

A solid financial position with ample liquidity

Adhering to the principle of prudent financial management, the Group has maintained a solid financial position. As at 31 December 2014, the Group's available capital amounted to HK\$11.3 billion, comprising cash and bank deposits of HK\$6.0 billion and available undrawn facilities of HK\$5.3 billion. Subsequent to the year end, the Group secured a five-year and four-year syndicated loan, mainly for refinancing a maturing facility, totalling HK\$3,300 million from 11 banks in March 2015. The loan enhances the Group's financial position and flexibility.

As at the end of 2014, the Group's gearing ratio was 44%. The Group is confident such ratio will gradually be lowered with the cash inflow from sales proceeds. The Group will continue to capture suitable investment opportunities, while adhering to the principle of prudent financial management.

Dr Lui concluded, "Looking ahead, the Group will leverage its vast experience in the industry to develop premium properties characterized by their unique style and innovative designs. We aim at building excellent homes and creating value for buyers. At the same time, the Group will capture suitable investment opportunities and replenish our land bank in Hong Kong, Shanghai and Guangzhou in a disciplined manner, hence delivering sustainable business growth and creating value for shareholders."

– End –

Photo captions

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



Photo 2: The Group is committed to developing quality property projects in first-tier cities such as Hong Kong, Shanghai and Guangzhou



Photo 3 : 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 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*.

KWIH is a constituent stock of the Hang Seng Composite MidCap Index and is currently holding a 3.8% stake in Galaxy Entertainment Group Limited (stock code: 27).

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