

Immediate Release

K. Wah Disposes of 452,500,000 Galaxy Shares

* * * * *

Receives total proceeds of HK\$3.8 billion for future integrated property development

(Hong Kong – 11 October 2007) K. Wah International Holdings Limited (“KWIH” or “the Company”, stock code: 173) today announced the disposal of 452,500,000 shares of Galaxy Entertainment Group Limited (“Galaxy”) to Permira Funds (“Permira”), one of the world’s leading private equity firms.

According to the transaction, KWIH will sell 452,500,000 shares of Galaxy (“Sale Shares”) to Permira for a price of HK\$8.42 per share, or approximately HK\$3.8 billion in aggregate. The total sales consideration will be paid in cash. The Sale Shares represents approximately 13.7% of the existing issued share capital of Galaxy and upon completion, KWIH’s shareholding in Galaxy will be reduced from 18.6% to 4.3%. Profit from the disposal of Sale Shares is estimated to be approximately HK\$1.5 billion.

In line with KWIH’s land investment strategy, the Company will apply a majority of the HK\$3.8 billion towards increasing its land bank, while the balance of the funds will be used for general working capital. ***Following its transaction with Permira, the Company will be in a strong net cash position, virtually debt-free,*** enabling it to continue its expansion efforts and further enlarge its land holdings.

Dr. Che-woo Lui, Chairman of KWIH, said, “The disposal of Galaxy shares represents a decisive move towards KWIH’s future development. By minimizing non-core investments, the Group has established a very clear and focused direction on its property developments and investments that will be welcomed by investors and shareholders alike. With more than HK\$10 billion in available funds, we will expedite the pace at which we acquire new land and establish integrated property developments, while at the same time maintaining a focused strategy. Complemented by the sales launch of close to 10 million square feet (GFA) of property on the mainland and Hong Kong markets over the next three years, the Company has established significant growth momentum.”

With both the Hong Kong and China property markets performing exceptionally well, KWIH will place equal emphasis on land acquisitions in these two regions. In Hong Kong, the Company will focus on niche markets that are characterized by quality properties with cutting-edge designs. Meanwhile, in the mainland, the Company will focus on property developments as well as retain prime property investments to enhance recurring income.

- End -

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

Listed on the Stock Exchange of Hong Kong in 1987, the Group is principally engaged in high quality property development and investment in Hong Kong and Mainland China. The Group's vision is to become an integrated property developer and investor in the Greater China region. The Group won Business Superbrands Awards and Business High Flyer in 2006, a testimony to its superb quality in property development and vigorous business growth. Precise marketing position and sales strategies boosted sales performance over the year. Three residential projects, namely The Great Hill in mid-level of Shatin south, J Residence on Johnston Road in Wanchai as well as Shanghai Westwood registered remarkable sales results. .

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

About Permira

Permira is a leading international private equity firm. The Permira Funds make long-term investments to transform the performance of businesses; helping management to realize new visions and build stronger and more sustainable organizations. The firm's team is based in Guernsey, Frankfurt, London, Luxembourg, Madrid, Milan, New York, Paris, Stockholm and Tokyo, advising funds with a total committed capital of approximately Euro22 billion (US\$30 billion). Since 1985, the Permira Funds have completed over 180 private equity transactions. Prior to 2001, Permira was known as Schroder Ventures Europe.

For more information visit: www.permira.com.

For enquiries:

Strategic Financial Relations Limited

Iris Lee	Tel: 2864 4829	iris.lee@sprg.com.hk
Shirley Lo	Tel: 2864 4847	shirley.lo@sprg.com.hk
Emily Au	Tel: 2864 4864	emily.au@sprg.com.hk
	Fax: 2804 278	