

**K. WAH INTERNATIONAL HOLDINGS LIMITED AND
K. WAH CONSTRUCTION MATERIALS LIMITED
ANNOUNCE 2004 ANNUAL RESULTS**

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***BENEFITING FROM BOOMING PROPERTY MARKETS IN HONG KONG AND SHANGHAI
CONTINUES BUSINESS EXPANSION IN MAINLAND CHINA IN THE COMING YEAR***

(Hong Kong, March 3, 2005) – K. Wah International Holdings Limited (“KWIH” or “the Group”) (stock code: 173) and K. Wah Construction Materials Limited (“KWCM”) (stock code: 27) today announced its annual results for the year ended December 31, 2004.

For the year ended December 31, 2004, KWIH recorded turnover and profit attributable to shareholders of HK\$1,730,538,000 and HK\$234,323,000 respectively, representing a decrease of 44% and an increase of 95% respectively as compared with last year. The Group’s turnover dropped but the profit nearly doubled was due to the increase in profit from sales of properties by jointly controlled entities where only the Group’s share of profit is included in the profit and loss statement. Basic earnings per share was HK11.7 cents. The Board of Directors recommends the payment of a final dividend of HK4.0 cents per share. Together with the interim dividend of HK2.0 cents per share, the total dividend for the year is HK6.0 cents per share.

KWCM’s turnover and profit attributable to shareholders for the year ended December 31, 2004 was HK\$1,299,143,000 and HK\$33,423,000 respectively, compared with HK\$1,130,894,000 and HK\$40,205,000 for the same period last year. Earnings per share was HK2.6 cents. The Board of Directors recommends the payment of a final dividend of HK1.0 cent per share. Together with the interim dividend of HK1.0 cent per share, the total dividend for the year is HK2.0 cents per share.

Dr. Lui Che Woo, Chairman of K. Wah Group, said, “Benefiting from the recovery of the overall economy, we have seen the turnaround of the property market in Hong Kong, with active turnover and impressive increase in property prices. In turn, our core property development business also recorded satisfactory results. I am most pleased with the fact that our property projects introduced during the year have been well received by the market and customers, further enhancing K. Wah’s brand equity. Regarding our

construction materials business, we were able to maintain profitable despite the sluggish construction materials market in Hong Kong. We have achieved substantial development in the construction materials business in Mainland China, with several joint venture projects commenced operation during the year. We expect they will create a major growth driver for the Group's construction materials business in the future."

Outstanding performance recorded in the property development business in Hong Kong

During the year, the Group's property development business continued to record outstanding performance. Sales of projects in Hong Kong, including La Costa, The Palace, Anglers' Bay and The Cairnhill, were remarkably successful. Each with a distinct character of its own, these projects were results of original design in all architectural aspects, whether in terms of facade, floor area efficiency, floor planning and clubhouse facilities. They were highly acclaimed by buyers as new landmarks for the Group's philosophy of offering exquisite quality and worth for money.

At the government land auction held in May 2004, the Group won the bid of a low-density residential site at Tung Lo Wan Hill Road, Shatin, with a gross floor area of approximately 24,000 square metres. Besides, in July 2004, the Group outbid over 20 developers to win the Johnston Road redevelopment project in Wanchai, being the only project on Hong Kong Island offered by the Urban Renewal Authority during the year, with a gross floor area of approximately 19,000 square metres.

Shanghai K. Wah Center and Shanghai Westwood will become focal point in 2005

With regard to the Group's property business in Mainland China, the construction of Shanghai K. Wah Centre, a 37-storey Grade A office building located at Huaizhong Road in Xuhui District, was completed in the first quarter of 2005. Some commercial tenants have already moved in. The building is currently over 70% leased and the latest rental rate has reached US\$1.1 to US\$1.2/day/square metre. Meanwhile, Shanghai Westwood, the Group's high-end residential project comprising luxurious condominiums with comprehensive amenities located at Guangzhong Road in Zhabei District, was designed with reference to the Westwood area in Los Angeles, U.S.A. The project is divided into three development stages. The first phase will be launched for sale in the first half of 2005, while the second and third phases are targeted to be launched over the next two years. The entire Shanghai Westwood project, with a gross floor area of close to 400,000 square metres, is expected to bring satisfactory returns to the Group.

The Group's two other luxurious residential projects are located at Jianguoxi Road in Xuhui District and Urumqibei Road in Jingan District. Construction will commence in 2005 after the completion of resettlement and demolition work.

Construction materials projects in China commence operation, creating a major growth driver for the future

As regards the Group's construction materials business, the turnover of KWCM showed steady growth while the profit after tax recorded a slight decrease, which was mainly attributable to the 2003 comparative base comprising an income arising from the disposal of an operation right amounting to approximately HK\$28,000,000. Excluding this one-off gain, the profit for 2004 should have registered solid growth over 2003.

As for the construction materials business in the Mainland, many new projects were completed and commenced operation in 2004, starting to make profit contributions to the Group. During the period, the construction materials business in the mainland accounted for over 60% of the Group's turnover and profit contributions. Besides, the joint ventures with Beijing Shougang Group and Yunnan Kunming Iron and Steel Group have commenced operation during the year whilst the joint ventures with Anhui Maanshan Iron and Steel Group and Guangdong Shaoguan Iron and Steel Group also completed factory construction during the year and have commenced operation in the first quarter of 2005.

Mr. Francis Lui, Vice Chairman of K. Wah Group added, "KWCM's expansion strategy in Mainland China has begun to bear fruit. We expect the new projects in the Mainland market to create a major and continuous growth driver for the Group in the future. We will continue to work towards the goal of "attaining profit targets by fulfilling planned production volumes".

Outlook

Looking ahead, the Group believes the property market in Hong Kong will sustain continuous growth in 2005, with further gains in property prices driven by relatively low interest rates and the increases in individual income. Projects currently under development by the Group are set to benefit from this trend. Meanwhile, the Group will continue with active participation in land auctions and tenders to increase its land bank. As the management expects the property market in Shanghai to remain robust in the coming year, the Group will seek to identify new investment opportunities apart from completing its existing projects. On 31st January 2005, the Group formed a joint venture with Shanghai Baosteel Group Company, Mitsubishi Corporation and Tokyu Land Corporation to expand property development business in Mainland China. The joint venture is currently pending approval by the relevant government authorities.

Dr. Lui Che Woo, Chairman of K. Wah Group, concluded, "Premium residential and commercial projects will become the focal point of the market with the continued improvement of the property market. Leveraging the Group's high quality property

development projects in Hong Kong and Shanghai, we are highly confident that we will be able to achieve outstanding results in the future and to deliver favorable returns to our shareholders.”

KWIH and KWCM maintained a healthy financial position. The management will keep a close watch to market opportunities in Hong Kong and Mainland China and will cautiously increase its land reserve with good development potential to pave the way for the Group’s future growth.

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

Listed on the Stock Exchange of Hong Kong in 1987, the Company is principally engaged in property development and investment in Hong Kong and mainland China. It is one of the major property developers in Hong Kong, Shanghai and Guangzhou. The Company's vision is to become a market leader in high quality residential and commercial properties in the Greater China region. It is now developing 3 residential projects and 1 commercial project in Shanghai with an aggregate floor area of approx. 8,000,000 square feet. It also operates construction materials business through its 65.8% subsidiary, K. Wah Construction Materials Limited (stock code:27). (Corporate Website: <http://www.kwih.com>)

About K. Wah Construction Materials Limited (stock code: 27)

The Company was listed on the Stock Exchange of Hong Kong in 1991 and is one of the leading construction materials suppliers in Hong Kong. Its principal business includes rock quarrying, cement, slag, ready-mixed concrete, piles, pipes and precast products. The Company entered the mainland China market in mid-1980's and is now the third largest concrete supplier in Shanghai. It also operates actively in Beijing, Nanjing, Maanshan, Kunming and the Pearl River Delta. It is the Company's strategic plan to expand its presence in mainland China by pursuing green products and high value-added products that have high entry barriers in the marketplace. The Company is a 65.8% subsidiary of K. Wah International Holdings Limited. (Corporate Website: <http://www.kwcml.com>)

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For press enquiries:

Strategic Financial Relations Limited

Iris Lee / Kay Hon/Keris Leung

Tel: 2864 4829 / 4870 / 4863

E-mail: iris@strategic.com.hk / kay@strategic.com.hk / keris@strategic.com.hk