



K. WAH INTERNATIONAL HOLDINGS LIMITED
嘉華國際集團有限公司



K. WAH CONSTRUCTION MATERIALS LIMITED
嘉華建材有限公司

2005 Interim Results Announcement



Financial Highlights

KWIH

	FY2005	FY2004	
	HK\$ million	HK\$ million	Change
For the 6 months ended 30 June			
Turnover	720	901	↓ 20%
Net Profit	632	156	↑ 306%

- 2005 interim net profit surged 306%
- Mainly due to a profit of HK\$577mn arising from deemed disposal of shares in KWCM
- Expect further profit of approx. HK\$3bn in latter part of the year following the completion of Galaxy acquisition

KWCM

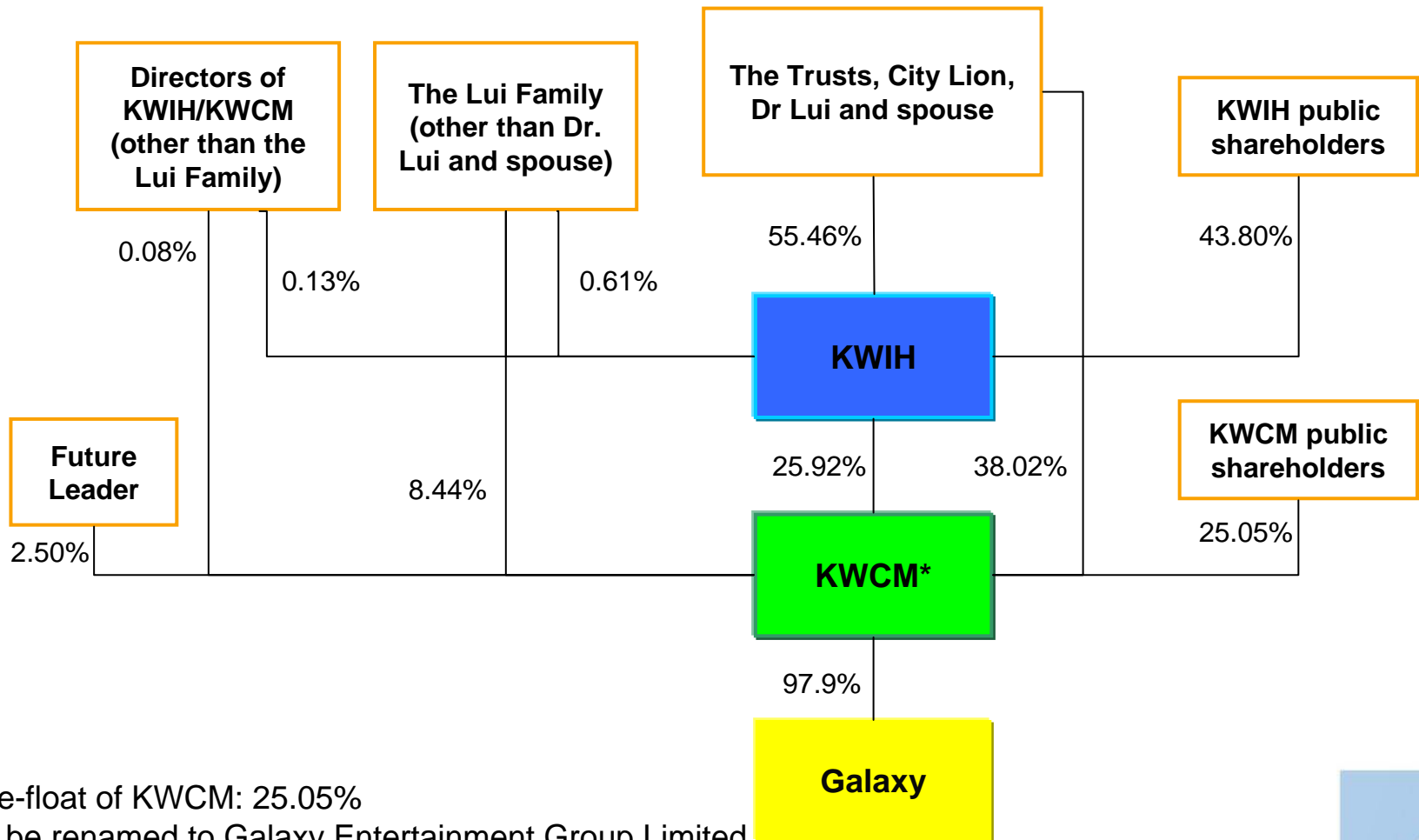
	FY2005	FY2004	
	HK\$ million	HK\$ million	Change
	For the 6 months ended 30 June		
Turnover	540	617	↓ 12%
Net Profit	14	11	↑ 27%

- Further expansion of construction materials business in HK through acquisition
- JVs with Beijing Shougang, Yunan Kunming Steel, Anhui Magang and Guangdong Shaogang on slag business all commenced operation

Dividend Payments

- **KWIH**
 - Proposed interim dividend payment of HK1.0 cent per share (2004: HK2.0 cents per share)
 - The board of directors has also resolved to declare a special interim dividend by way of a distribution in specie of the shares of KWCM on the basis of one KWCM share for every 10 shares of KWIH held
- **KWCM**
 - Nil (2004: HK1.0 cent per share)
 - According to the 14 March 2005 S&P Agreement, no dividend should be declared until the repayment of FRNs

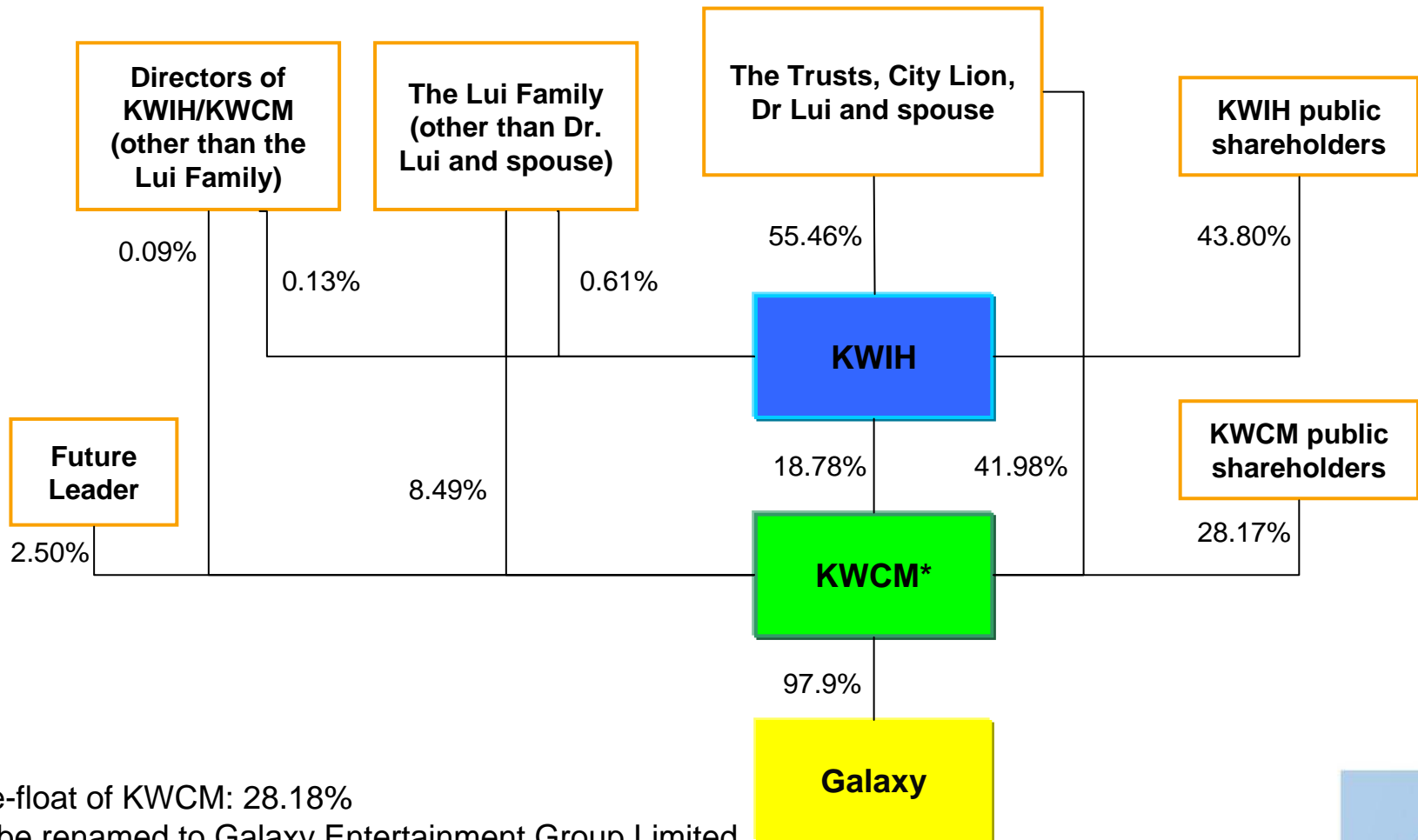
Shareholding Structure Before Distribution in Specie



Note :

1. Free-float of KWCM: 25.05%
2. * to be renamed to Galaxy Entertainment Group Limited

Shareholding Structure After Distribution in Specie



Note :

1. Free-float of KWCM: 28.18%
2. * to be renamed to Galaxy Entertainment Group Limited

Recent Developments

KWIH – Hong Kong Property

The Great Hill 嘉御山

- Low-density luxurious residential project located at Shatin South Mid-level
- Expected date of pre-sale : Q4 2005
- To launch a total of 114 low density units and 8 houses

Johnston Road Project 莊士敦道項目 (Redevelopment project with URA)

- Residential cum commercial project
- Expected date of pre-sale : Q1 2006
- To launch a total of 400 apartment units



Johnston Road Project

KWIH – Shanghai Property



Shanghai K. Wah Centre

上海嘉華中心

- Grade A office tower located at Huaihaizhong Road (淮海中路)
- Completed in 1Q 2005
- Over 95% occupancy rate of MNC tenants
- Highest rental rate reached US1.35/ day/ sq. m
- Generate stable rental income of RMB180 mn per annum

KWIH – Shanghai Property



Shanghai Westwood

慧芝湖花園

- Luxurious residential project in the Da Ning International Community within the inner ring area of Shanghai
- 3 phases with total GFA of approximately 400,000 sq. m
- Phase 1 with 632 units commenced pre-sales in May 2005

KWIH – Shanghai Property



Shanghai Westwood 慧芝湖花園



KWIH – Shanghai Property



Jianguoxi Road, Xuhui District 徐匯區建國西路

- Luxurious residential project
- Plan to begin construction in early 2006
- With total GFA of approximately 150,000 sq. m



KWIH – Shanghai Residential Properties

Urumqibei Road, Jingan District (靜安區烏魯木齊北路)

- Luxurious residential project
- Plan to begin construction in early 2006
- With total GFA of approximately 115,000 sq. m



KWIH – BaoLand JV

- JV company commenced operation
- 2 projects in Shanghai
 - Yangpo District (楊浦區) – commercial and residential project
 - Baoshan District (寶山區) – 3 phases residential project



Gaming & Entertainment Business

Galaxy Entertainment Group

- On 19 July 2005, the shareholders of KWIH and KWCM approved KWCM's proposal to acquire Galaxy Casino
- KWCM becomes the first and only listed company in HK to have a Macau gaming concession
- KWCM will be renamed Galaxy Entertainment Group Limited
- The only concession holder to open 3 new casinos by mid 2006

Galaxy StarWorld

- Location: Downtown gaming hub
- Premises: Designed and built by Galaxy
- Open: mid-2006
- Focus: Mass and VIP market
- Features:
 - Tallest hotel in Macau upon completion
 - Designed by Rocco Yim
 - Unique and contemporary design to appeal to target consumers



Galaxy StarWorld



- **Gaming:**
 - No. of VIP tables: 60
 - No. of mass tables: 140
 - No. of slots: 300
- **Hotel:**
 - No. of hotel modules: 560
 - Swimming pool, fitness centre, business centre, F&B, entertainment

City Clubs



Rio Hotel

- Location: Downtown Macau
- Focus: VIP market
- Open: 1Q 2006
- No. of VIP tables: 20
- No. of mass tables: 60
- No. of slots: 150

Grand Waldo Hotel

- Location: West waterbank, Cotai
- Focus: VIP market
- Open: 1Q 2006
- No. of VIP tables: 46
- No. of mass tables: 100
- No. of slots: 200



Financing in Place

- Investment for Galaxy StarWorld and first phase of Cotai Mega Resorts requires \$5.7 billion
- Financing arrangements:
 - Appointed Merrill Lynch and Morgan Stanley as co-lead managers for a bond issue
 - Bond pending rating from Moody's and Standard & Poor's
 - Project finance in progress

Macau's Highlights

- Direct tax on gaming recorded double digit growth in the first 7 months of 2005
- As of July 2005, approximately 10.6million visitors arrived in Macau, of which 56% came from Mainland China*
- FIT (Free Individual Travellers) and Disneyland opening fuel tourism growth
- Asia gaming hub – set to surpass Las Vegas Strip as world's largest gaming centre

*Source: Macau Statistics and Census Service

Thank You!