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

[For immediate release]

KWIH Announces 2012 Annual Results
Profit Attributable to Equity Holders Surges 2.5 Times to Record High of HK$4.3 Billion

Financial Highlights

	For the 12 Months Ended 31 December		
	2012	2011	Change
Revenue (HK$ million)	**3,346**	3,196	5%
Attributable revenue[1] (HK$ million)	**11,842**	3,208	269%
Gross profit (HK$ million)	**2,134**	2,170	-2%
Underlying profit (HK$ million)	**4,127**	1,229	236%
Profit attributable to equity holders of the company (HK$ million)	**4,300**	1,244	246%
Total comprehensive income attributable to equity holders of the company (HK$ million)	**6,919**	2,573	169%
Earnings per share (HK cents)	**163.35**	48.27	238%
Final dividend per share (HK cents)	**10**	8	25%
Total dividend per share (HK cents)	**15**	10	50%
NAV per share (HK$)	**7.35**	4.95	48%

(Hong Kong－27 March 2013)－**K. Wah International Holdings Limited** ("KWIH" or the "Group") (stock code: 0173) today announced its annual results for the year ended 31 December 2012.

For KWIH, the year 2012 was one of unprecedented growth during which its financial results reached a new historic high. The revenue of the Group was HK$3,346 million, while attributable revenue (taking account of revenue contributions from jointly controlled entities and associated companies) surged 2.7 times to HK$11,842 million. These were mainly derived from property sales from Chantilly, Marinella (35% owned by the Group), The Coronation (15% owned by the Group), Providence Peak (25% owned by the Group) and Providence Bay (15% owned by the Group) in Hong Kong, The Legend, Shanghai Westwood III in Shanghai and Le Palais in Guangzhou, as well as rental income from Shanghai K. Wah Centre. During the period, attributable contracted sales[1] of the Group amounted to HK$7.5 billion, of which HK$5.2 billion was recognized in the account of the Group in 2012.

During the period under review, profit attributable to equity holders of the Company soared 2.5 times to an all-time high of HK$4,300 million. Underlying profit jumped by 2.4 times to HK$4,127 million, mainly derived from sales of the above-mentioned property projects and rental income, as well as a gain on the disposal of a 41.5% interest in Shanghai Baoland. Total comprehensive income

[1] Including jointly controlled entities and associated companies

attributable to equity holders of the Company grew significantly by 1.7 times to HK$6,919 million. This was primarily due to the increase in fair value of HK$2,612 million on non-current investments of a 3.9% interest in Galaxy Entertainment Group Limited.

Basic earnings per share was 163.35 HK cents (2011: 48.27 HK cents). The Board of Directors recommended payment of a final dividend of 10 HK cents per share. Together with the interim dividend of 5 HK cents per share paid earlier, the total dividend for the year was 15 cents per share (2011: 10 HK cents).

Dr Lui Che-woo, Chairman of KWIH, said, "Over the past year, the Group achieved record sales as a result of its strategy of launching large-scale high quality residential projects in Hong Kong and Mainland China at an opportune time. In Mainland China we launched The Palace, a high-end residential development located in a prime area of the city centre of Shanghai. We also marketed The Legend and Upstream Park, both of which are large-scale residential projects catering to robust market demand. All of these projects were favourably received in the market. In Hong Kong, several luxury residential projects that we developed jointly with other notable developers, including Marinella, The Coronation, Providence Bay and Providence Peak, also drew keen market interest. These remarkable results reflect the strong demand in the two markets for quality properties and the commitment of the "K. Wah" brand."

An agile yet aggressive strategy and the timely launch of quality projects delivered strong sales results

During the year under review, the Group achieved encouraging sales results in Hong Kong and Mainland China. This was achieved by successfully tapping the huge market demand for quality properties with the launch of superior residential projects in these markets. The Group will continue its strategy of introducing quality residential projects at the right time so as to sustain its business growth.

Hong Kong: Launch of new project, 2 Grampian Road, Kowloon, and special units at Marinella, Providence Bay and Providence Peak

A number of large-scale joint-venture luxury residential projects were well received by the market during the year. Among these projects, Marinella, The Coronation, Providence Bay and Providence Peak were granted occupation permits, contributing a satisfactory profit to the Group.

Marinella, a luxury seafront residential project on the south side of Hong Kong Island, has enjoyed a very positive market response since its debut, with more than 90% of the residential units sold. At the end of 2012, the property became the first residential project in Hong Kong to obtain the prestigious provisional Platinum rating under the Hong Kong Green Building Council's BEAM Plus standard. Duplex penthouses and garden units are planned for launch this year, which the Group expects will receive strong interest in the market.

Almost all the residential units of The Coronation in West Kowloon were sold and delivered to buyers in late 2012. The two low density seafront luxury residential developments, Providence Bay and Providence Peak, have sold more than 50% and around 70% of the available units respectively and delivered to buyers.

The Group is planning to launch the new 2 Grampian Road, Kowloon, project with small- to medium-sized units this year to cater to market demand for quality properties.

Mainland China: Sales of four blocks of The Legend, Shanghai Westwood III were recognized during the year. Launches of Upstream Park and The Palace in Shanghai, Le Palais and J Metropolis in Guangzhou were enthusiastically received

Responding to robust demand for quality housing in Mainland China, the Group launched The Legend, Shanghai Westwood III and Upstream Park, an integrated commercial and residential project in Minhang District, Shanghai, in mid-2012. The Legend comprises five blocks of residential buildings, four of which were delivered to buyers during the year under review. Almost all of the units in the last block, which went on sale in late 2012, were sold. The units will be delivered and recognized in 2013, contributing to the revenues and profits to the Group. Upstream Park, located in a sophisticated community with commanding river views, became a primary focus in the market after its launch in July last year. Around 80% of the units launched have been sold. The Palace, a luxury residential project located in an affluent prime location in the city centre of Shanghai, has also captured the interest of high-end buyers with more than 60% of the units in Phase I sold. The units were gradually delivered in early 2013. In addition to continuously marketing The Palace and Upstream Park, the Group also plans to launch Grand Summit, a premium residential development in Jingan District, by the end of 2013 or early 2014.

In Guangzhou, the Group launched J Metropolis, a new project integrating residential, commercial and educational facilities, in early 2013 and posted satisfactory sales. Construction of Le Palais, a luxurious residential project located in the centre of Huadu, was completed in 2012 with more than 50% of the units sold. The Group intends to continue launching units in these projects this year in line with market conditions in order to meet the underlying demand for quality properties.

Timely additions of quality land ensures sustainable development of the Group

The Group replenished its land bank in 2012 by acquiring five quality plots in Hong Kong, Shanghai and Dongguan for an aggregate cost of approximately HK$5 billion. These acquisitions increased the total attributable GFA under development and planning to 1.8 million square metres. All acquired parcels are located in communities that are easily accessible through convenient transportation networks and supported by comprehensive ancillary facilities. The Group has commenced related planning, with the aim of building distinctive, innovative and superior quality projects that satisfy market demand.

Strong financial position with sufficient liquidity to support business development

Strong liquidity, supported by remarkable sales of property projects in Hong Kong and Mainland China and surplus cash from the disposal of non-core investments, positioned the Group well for further expansion. As at 31 December 2012, the Group had cash and bank deposits exceeding HK$7.2 billion, with a healthy gearing ratio of about 21%. During the period under review, the Group took advantage of the low interest rate environment to enhance its financial strength. A US$200 million notes was issued in April under the US$1 billion Medium Term Note

Programme, and another HK$150 million notes was issued by way of private placement in December. It also successfully arranged a HK$2.8 billion three-year term syndicated loan with a diversified consortium of banks in September. These measures further improved the Group's financial flexibility and strength, while solidifying the foundation for its long term business development.

Dr Lui concluded, "Although the global economy remains uncertain and more policies were implemented to prevent overheating property prices in Hong Kong and China, we believe these measures will facilitate the healthy and stable development of the property market in the long term, while the demand for quality property will remain. On the other hand, the HKSAR Government strives to increase land supply, which creates more opportunities for experienced developers with a strong financial background. Our projects continue to proceed in good progress. This, together with our recent land acquisitions, enhances our flexibility to launch new projects and take advantage of market conditions. In the meantime, by leveraging our rich financial resources we will selectively acquire quality land parcels and pursue investment opportunities in Hong Kong, the Yangtze River Delta and the Pearl River Delta to develop more quality projects and bring satisfactory returns for our shareholders."

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

Photo 2: Chairman, Dr Lui Che-woo

About K. Wah International Holdings Limited (stock code: 173)
K. Wah International Holdings Limited, 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. Awarded Business Superbrands in the property development sector in 2006, KWIH was selected as the High-Flyer Outstanding Enterprises in two consecutive years, and was awarded the Top 10 Developers Award by BCI Asia in 2011.

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