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

For immediate release

KWIH 2007 Net Profit Surged by 10 Times to HK$2.45 Billion

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Projects in Mainland and HK are progressing on schedule
Set to fuel growth over the next three years

Financial Highlights

For the year ended 31 December

HK$	**2007**	2006	Change
Turnover	**4,799 million**	276 million	↑16 times
Profit attributable to shareholders	**2,451 million**	230 million	↑10 times
Basic EPS	**100.27 cents**	9.54 cents	↑9.5 times
Dividend per share	**30.5 cents**	3.5 cents	↑7.7 times
- *Interim dividend*	*2.5 cents*	*1.0 cent*	
- *Special Interim dividend**	*25.0 cents*	*Nil*	
- *Final dividend*	*3.0 cents*	*2.5 cents*	

* Attributable to the gain arising from disposal of Galaxy shares

(Hong Kong, 2 April 2008) – K. Wah International Holdings Limited ("KWIH" or "the Group") (stock code: 173) today announced its annual results for the year ended 31 December 2007.

During the review period, KWIH recorded a turnover of HK$4,799 million, an impressive 16-fold increase from the HK$276 million recorded last year. Profit attributable to shareholders was HK$2,451 million, approximately 10 times higher than last year's (2006: HK$230 million).

Basic earnings per share were HK100.27 cents. The Board has recommended the payment of a final dividend of HK3.0 cent per share. Together with the interim dividend of HK2.5 cents per share and special interim dividend of HK25 cents per share already paid, total dividend for the year will be HK30.5 cents (2006: HK3.5 cents) per share.

Remarkable performance attributed to sales proceeds of HK$4.2 billion and gain from valued investments

The promising results were mainly attributed to excellent sales of over HK$4.2 billion generated from The Great Hill and J Residence in Hong Kong, and Shanghai Westwood Phase I in Shanghai. The disposal of Galaxy shares to Permira Funds, one of the world's leading private equity firms, further contributed proceeds of HK$3.8 billion. Consequently, the Group realized an exceptional gain of HK$1,374 million.

Besides, the two investment properties, Shanghai K. Wah Centre and J Senses continued to provide the Group with favourable rental income. The Grade A offices within Shanghai K. Wah Centre are 100% leased and commanding top-end rentals from reputable MNC tenants. J Senses, a chic shopping and dining element at J Residence, has attracted considerable customer traffic. Moreover, with both properties being located in prime locations, they possess immense value appreciation potential and provide stable rental income.

Dr Che-woo Lui, Chairman of KWIH, said, "The success that we achieved in 2007 sets a solid foundation for our growth in the years ahead. The promising results demonstrate the effectiveness of our strategy; focusing on developing quality products with user-oriented and superior designs. Our properties are well received in the market and renowned for their immense value appreciation potential."

Developments of 10 million sq ft SFA on schedule over the next three years

Several projects in Mainland China and Hong Kong have commenced and are progressing as scheduled. Approximately 10 million sq ft SFA (Saleable Floor Area) of property for sale and lease will be put on the market in the coming three years.

In 2008, the Group will launch the remaining penthouse units and houses of **The Great Hill**. Located at mid-levels, Shatin South, remaining units have a total SFA of approximately 200,000 sq ft. A total of 1,059 units equalling 1.5 million sq ft in SFA at **Shanghai Westwood Phase II** are scheduled for launch in the next few months. Sale of the units at these two projects are expected to generate proceeds of approximately HK$4.7 billion.

In 2009 and 2010, KWIH will continue to maintain its growth momentum in its key markets. In Shanghai, two projects in Xuhui and Jingan districts are moving ahead as planned. The Group is confident in the prospects for high-end property market in Shanghai as the selling price, rental yield and value appreciation potential are appealing to investors. The projects located **on Jianguo Xi Road, Xuhui District and Yanjiazhai, Jingan District,** will take a two-pronged strategy, tapping both the leasing and sales markets for serviced apartments and premium residential properties.

In Guangzhou, the Group's 12 million-sq-ft **Huadu Mega Integrated Project** will be developed in six phases and, upon completion of Phase I, will bring Huadu a new and sophisticated community consisting of office buildings, hotels, serviced apartments, residential properties, etc. In addition, the **Guangzhou Huadu Airport CBD Area** will be developed into a large-scale commercial complex. Phase I of the project will comprise a luxurious hotel and two blocks of office towers.

Building on the success of The Great Hill, Shatin, the Group commenced work on another luxury residential project at **6 Shiu Fai Terrace**, Stubbs Road, in Hong Kong.

Six prime plots were acquired at over HK$5 billion

In 2007, the Group replenished six pieces of residential land in Hong Kong, Shanghai and Guangzhou at an attributable cost of more than HK$5 billion. The additions bring the Group's total land portfolio to approximately 25 million sq ft SFA, which will be used for development over the next five years. This will thus suffice for the Group to continue to grow its business in the near term while maintaining its earnings prospects.

HK$8 billion earmarked for stepping up investments

The Group's financial position remains strong, maintaining a low gearing ratio and high cash reserves. With abundant financial resources, the Group plans to use more than HK$8 billion in available funds to further replenish its land bank and seek more investment opportunities.

Dr. Lui concluded, "Looking forward, with Hong Kong now facing a negative real interest rates situation and limited supply of newly developed properties, both factors will attract affluent Mainland Chinese buyers to look for quality properties in the territory. As such, we remain positive in the outlook for the luxury residential market in Hong Kong. As for Mainland China, spurred by the sound fundamentals in its economy, it is envisaged that demand for quality properties will remain buoyant. We will capitalize on our cash-rich position to adopt a more flexible, yet prudent strategy to tap the immense potential of this ever-changing market."

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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. KWIH aims at establishing a position of large-scale integrated property developer and investor in the Greater China region. With a property portfolio encompassing premium residential developments, Grade-A office towers, hotels, serviced apartments and retail spaces, KWIH has a presence in Hong Kong, Shanghai, Guangzhou and Southeast Asia. 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 also the only winner in the Hong Kong Property Developer category of the High-Flyer Outstanding Enterprises consecutively in 2006 and 2007.

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