嘉華國際集團有限公司
K. WAH INTERNATIONAL HOLDINGS LIMITED
嘉華集團成員 A member of K. Wah Group

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Press Release
For Immediate Release

KWIH 2015 Interim Profit Increased 150% to HK$534 Million Attributable Contracted Sales Surged 5 Times to Approximately HK$8,700 Million in the First Half of the Year

Financial Highlights

	Six months ended 30 June		
	2015	2014	Change
Revenue (HK$ million)	**2,359**	750	215%
Attributable revenue[1] (HK$ million)	**3,725**	957	289%
Underlying profit (HK$ million)	**482**	129	274%
Profit attributable to equity holders of the Company (HK$ million)	**534**	214	150%
Basic earnings per share (HK cent)	**19.2**	7.9	143%
Interim dividend per share (HK cent)	**5**	5	

(Hong Kong — 25 August 2015) **K. Wah International Holdings Limited** ("KWIH" or the "Group") (stock code: 0173) today announced its unaudited interim results for the six months ended 30 June 2015.

During the period under review, the Group launched a number of property projects in Hong Kong and Mainland China, which delivered solid sales performances, thus generating strong cash flow for the Group and establishing a foothold for future profit. In the first half of 2015, the Group's attributable contracted sales increased 5 times to approximately HK$8,700 million. Profit attributable to equity holders of the Company increased by 150% to HK$534 million, while underlying profit grew by 274% to HK$482 million. Basic earnings per share was 19.2 HK cents. The Board of Directors recommended the payment of an interim dividend of 5 HK cents per share, as the Group is commited to maintaining stable return for shareholders.

Key projects in Hong Kong and Mainland China recorded satisfactory sales

Sales in the first half of the year was mainly contributed by several projects in Hong Kong and Mainland China, including two railway-linked quality development projects, Twin Peaks and Corinthia By The Sea (40% owned by the Group) in Tseung Kwan O South in Hong Kong, two luxury residential properties Grand Summit and The Palace II in the heart of Shanghai, and the large-scale premium residential projects, J Wings and J Metropolis Phase 2 in Guangzhou. HK$2,700 million of the sales have been recognized in the accounts. Attributable revenue[1] was HK$3,700 million, contributed mainly by joint venture projects Mayfair By The Sea I (15% owned by the Group), Providence Bay (15% owned by the Group), Providence Peak (25% owned by the Group) in Tai Po, and rental income from J SENSES in Hong Kong, Grand

[1] Including joint ventures and associated companies

Summit, rental income from Shanghai K. Wah Centre and Stanford Residences Jing An in Shanghai, as well as J Wings in Guangzhou, The Summit in Jiangmen and rental income from Crowne Plaza Guangzhou Huadu and office.

Dr Lui Che-woo, Chairman of KWIH, said, "In the first half of 2015, we had launched several key projects in Hong Kong, Shanghai and Guangzhou in a timely manner and achieved satisfactory sales performances thanks to our shrewd strategies. With K. Wah's 60 years of distinguished brand, unique architectural design, superior locations and exceptional layouts of our properties, we are confident that these projects will continue to receive positive responses from the market and deliver sound sales performances."

New projects to be launched in the second half of the year for continuous asset turnover

Hong Kong: Long Ping Station (North) project in Yuen Long to be launched in the fourth quarter at the earliest

The Group launched Twin Peaks and Corinthia By The Sea, two key railway-linked projects in Tseung Kwan O South, in March and June respectively this year. Both projects were well received by the market with over 95% of units sold in each of them. Progress of the Long Ping Station (North) project in Yuen Long is well underway and the pre-sale consent of which is pending for approval. The Group plans to launch the project in the fourth quarter at the earliest. Adjacent to the West Rail Long Ping Station with convenient transportation networks, the project is expected to attract a diversified customer base of both first-time buyers and home movers.

Shanghai: Sales of Grand Summit and The Palace II, luxury residential properties in the city centre, are in a leading position in the market

Market response to Grand Summit and The Palace II, the Group's top notched luxury residential properties in the heart of Shanghai, was keen. The units launched were quickly snapped up with more than 100 sold in the first half of the year. Located in Nanjing West Road, Jingan District, Grand Summit offers an exquisite view and prestigious ancillary facilities. The project is highly sought-after with its sales amongst the best in the high-end residential market in Shanghai (transaction price above RMB80,000 per sqm). Stanford Residences Jing An, serviced apartments in Grand Summit, were also launched in the first quarter and were named the 2015 Best of Shanghai Awards – Best Located Serviced Apartment.

As for The Palace, an elegant French-style luxury residential project in an upscale French-style community surrounded by city landmarks on Jianguo West Road in Xuhui District, it exclusively features a near 10,000-sqm French-style imperial garden and a clubhouse with comprehensive high-end amenities. The Palace II, together with Grand Summit, has generated promising sales for the Group. More than 40 units were sold in one month since the debut of The Palace II in May this year. The Group will continue to launch more units in these two luxury projects in the second half.

Guangzhou: J Metropolis and J Wings continued to deliver encouraging sales

The Group introduced J Metropolis Phase 2, the large-scale quality residential project, and J Wings, a premium project at the city centre of Huadu, earlier this year. Both properties were well received by local buyers, delivering satisfactory sales performances with more than 700 units sold in total. The Group has subsequently launched J Metropolis Phase 3 in July to cope with market demand.

Sound financial position with ample liquidity; striving to increase recurring income

The Group has continued to adhere to the principle of prudent financial management, and successfully raised funds at favourable interest rates. In March this year, the Group secured a 5-year and 4-year syndicated loan totalling HK$3,300 million from 11 banks with interest rates of HIBOR + 1.68% p.a. and HIBOR + 1.52% p.a. respectively. This increased the Group's financial strength and flexibility.

As at 30 June 2015, the Group had cash and bank deposits of HK$7.3 billion, and available undrawn facilities of HK$6.0 billion, adding up to HK$13.3 billion of available capital. The gearing ratio was slightly reduced to 42%, and is expected to drop further with the cash inflow from the property sales in the first half of the year.

The Group will continue to implement its plan to increase recurring income, and intends to increase its GFA from the current 130,000 sqm to 200,000 sqm in two to three years. This will provide stable cash flow for the Group, with an aim to maintain a stable dividend per share and enhance shareholder value.

Replenishment of quality land with strong cash inflow from sales proceeds

Properties already launched or under development and planning cover a total GFA of approximately 1.6 million sqm. Most of these projects are situated in locations supported by convenient transportation and comprehensive ancillary facilities, offering them outstanding development potentials. This balanced portfolio enables the Group to strategically launch different projects in response to market conditions to cater to the market demands. Looking forward, the Group will conintue to capture investment opportunities to enhance project development cycle, while adhering to the principle of prudent financial management.

Dr Lui concluded, "Despite the challenging macro-economic environment, we will continue to uphold our principle of developing premium niche properties. With the strong cash inflow from sales proceeds this year and the next, the Group's financial strength and flexibility will be further enhanced. We will continue to capture suitable investment opportunities and replenish our land bank in Hong Kong and Mainland China, so as to sustain our long-term business development and create value for our shareholders."

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Photo captions

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

Photo 2：Dr Lui Che-woo, Chairman of KWIH

Photo 3: Herbert Hui, Chief Financial Officer of KWIH

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

K. Wah International Holdings Limited ("KWIH"), 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. Honoured with Business Superbrands in the property development sector, KWIH was awarded the Top 10 Developers Award by BCI Asia three times and the High-Flyer Outstanding Enterprises twice. Its signature project, Marinella, achieved the Platinum Rating of Final Assessment under the BEAM Plus NB V1.1 of the Hong Kong Green Building Council. In addition, KWIH was voted as the first runner-up under the category of Hong Kong Best Mid-Cap and Best CFO in Hong Kong in Asia's Best Companies 2013 and 2015 Poll respectively conducted by *FinanceAsia*.

KWIH is a constituent stock of the Hang Seng Composite MidCap Index and is currently holding a 3.8% stake in Galaxy Entertainment Group Limited (stock code: 27).

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