



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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 173)**

**DISCLOSURE PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES ON  
ADVANCES AND FINANCIAL ASSISTANCE TO ENTITY AND AFFILIATED COMPANY**

The Company announces that the amount of advances/financial assistance given to, and guarantees given for the loan facilities granted to, entity and affiliated company by the Company in aggregate exceeds 8% of the total assets of the Company. In accordance with the requirements under Rules 13.13 and 13.16 of the Listing Rules, the Company announces the details of such advances/financial assistance and guarantees.

Reference is made to the announcement made by the Company dated 4 April 2007 pursuant to Chapter 14 of the Listing Rules ("**JV Announcement**"). Terms defined in the JV Announcement have the same meaning when used in this announcement, unless otherwise stated. Full Raise International Limited (the JV Company) is an affiliated company of the Company. On 23 May 2007, the Company has provided corporate guarantee and entered into funding agreement and Wealthy Vision (an indirect wholly owned subsidiary of the Company) has entered into subordination agreement with lenders which provided loan facilities in the total amount of HK\$3,100,000,000 ("**loan facilities**") to Ace Glory (a wholly owned subsidiary of the JV Company and grantee of the Land) for the purpose of developing the Land. Ace Glory will draw on HK\$1,751,000,000 of the loan facilities on 30 May 2007. The amount of advances to, and guarantees given for the loan facilities granted to, Ace Glory has exceeded 8% of the total assets of the Company. In accordance with the requirements under Rules 13.13 and 13.16 of the Listing Rules, the Company announces the details of financial assistance provided by the Company as follows:

<b>Name of affiliated company</b>	<b>Company's % equity interest in the affiliated company</b>	<b>Amount of loan facilities obtained by Ace Glory (wholly owned subsidiary of the affiliated company)</b>	<b>Amount of loan facilities guaranteed by the Company</b>	<b>Amount of committed capital injection by way of shareholder's advances by the Group to the affiliated company</b>
Full Raise International Limited	25%	HK\$3,100,000,000	HK\$775,000,000 (on several basis and pro rata to the Company's 25% interest in the affiliated company), as to which HK\$437,500,000 is for re-financing of the Company's (25%) share of half of Land premium, full amount of which has already been paid and as to HK\$337,500,000 is for the Company's (25%) share of the construction costs of the Land.	HK\$437,500,000 (unsecured and interest-free, and pro rata to the Company's 25% interest in the affiliated company). The capital injection is funded from the internal resources of the Group and has been applied by Ace Glory towards part payment of the Land premium.

Other terms of the loan facilities required to be disclosed pursuant to Rule 13.16 of the Listing Rules :

Interest rate of the loan facilities	Normal commercial rate after arm's length negotiation with the lenders.
Final maturity of the loan facilities	The earlier of (a) the date falling 48 months from 23 May 2007 and (b) the date falling 6 months after the issuance of the Certificate of Compliance by the Director of Lands in respect of the Land.

Security provided by the Group for the loan facilities

Subordination agreement by Wealthy Vision of all the indebtedness of Ace Glory to it, guarantee and funding agreement for project cost overrun (with completion guarantee) by the Company (on several basis and pro rata to the Company's 25% interest in the affiliated company) in favor of the lenders.

Amount of loan facilities utilized by Ace Glory which are guaranteed by the Company

HK\$1,750,000,000 (to refinance half of the premium already paid by Wealthy Vision and the JV Partners in respect of the Land) and HK\$1,000,000 (being part of the construction cost of the Land) to be drawn down on the loan facilities by Ace Glory on 30 May 2007.

The Company will comply with the relevant disclosure requirements pursuant to Rules 13.20 and 13.22 of the Listing Rules for so long as the circumstances giving rise to such disclosure obligation continue to exist.

*As at the date of this announcement, the Executive Directors are Dr. Che-woo Lui (Chairman), Mr. Francis Lui Yiu Tung, Mr. Eddie Hui Ki On, Mr. Lennon Lun Tsan Kau and Ms. Paddy Tang Lui Wai Yu; the Non-executive Directors are Mr. Michael Leung Man Kin and Dr. Philip Wong Kin Hang; and the Independent Non-executive Directors are Sir David Akers-Jones, Dr. The Hon. Leo Lee Tung Hai, Dr. Robin Chan Yau Hing, Dr. Charles Cheung Wai Bun, and Mr. Robert George Nield.*

By Order of the Board of  
**K. Wah International Holdings Limited**  
**Ricky Chan Ming Tak**  
*Company Secretary*

Hong Kong, 30 May 2007

Please also refer to the published version of this announcement in The Standard.