

**K. WAH INTERNATIONAL HOLDINGS LIMITED AND
K. WAH CONSTRUCTION MATERIALS LIMITED
ANNOUNCE 2003 ANNUAL RESULTS**

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***FOCUS ON MAINLAND CHINA'S PROPERTY AND CONSTRUCTION MATERIALS MARKET
TO CAPTURE BOOMING BUSINESS OPPORTUNITIES***

(Hong Kong, April 15, 2004) – K. Wah International Holdings Limited (“KWIH” or “the Group”) (stock code: 173) and K. Wah Construction Materials Limited (“KWCM”) (stock code: 27) today announced its annual results for the year ended December 31, 2003.

For the year ended December 31, 2003, the Group recorded turnover and profit attributable to shareholders of HK\$3,076,143,000 and HK\$120,380,000 respectively, representing an increase of 44% and 18% respectively as compared with last year. Earnings per share were HK6.2 cents. The Board of Directors recommends the payment of a final dividend of HK2 cents per share. Together with the interim dividend of HK1 cent per share, the total dividend for the year is HK3 cents per share.

For the year ended December 31, 2003, KWCM recorded turnover and profit attributable to shareholders of HK\$1,130,894,000 and HK\$40,205,000 respectively against last year's figures of HK\$1,010,999,000 and HK\$62,328,000. Earnings per share were HK3.2 cents. The Board of Directors recommends the payment of a final dividend of HK1 cent per share. Together with the interim dividend of HK1 cent per share, the total dividend for the year is HK2 cents per share.

Dr. Lui Che Woo, Chairman of K. Wah Group said, “Despite the SARS outbreak during the year, the Group has been able to overcome the challenges and achieve positive results in business development. Our core property business, in particular, has recorded satisfactory results with turnover setting a new record. Additionally, we are also pleased that our property projects introduced during the year have earned praises from the market and customers. This has helped enhance “K. Wah” corporate brand value. Regarding our construction materials business, as a result of the sluggish economic conditions and the lack of large-scale infrastructure projects, margins have been severely cut back. Nevertheless, with our solid business foundation, we are able to maintain profitable. Entering 2004, we will continue to strengthen our strong foundation in both the property and construction materials businesses in Hong Kong. At the same time, we will also aggressively explore the mainland China market. Leveraging our wealth of experience and cautious investment strategies, we are confident that we will achieve promising returns in both the property and construction materials businesses in mainland China.”

During the year, contributions from the property business continued to experience further growth. Major property projects marketed during the year were La Costa, The Palace, Anglers' Bay and The Cairnhill in Hong Kong, and Guangzhou Parkview Place Phase III. In 2003, turnover for property business amounted to approximately HK\$1.9 billion which represent approximately 61% of the Group's total turnover, setting a new record for the Group. The HK\$1.9 billion does not include sales contribution from The Cairnhill and Anglers' Bay which are joint development projects and their results are being accounted for in the financial statements on equity accounting basis. During the year, the Group's property projects were commended by the market because of their superior location, facade, architectural design, supporting facilities, interior decoration and choice of materials. These accolades have proven the successful implementation of the Group's corporate objectives “to deliver only the best design, quality and value-for-money to customers”.

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With regard to the Group's mainland China property business, the Group is now developing three residential projects in Shanghai, situated at Urumqibei Road in Jingan District, Jianguoxi Road in Xuhui District and Guangzhong Road in Zhabei District respectively. These three residential projects will be providing significant contributions to the Group over the next three years commencing the fourth quarter of 2004. Besides residential properties, the Group is also constructing a 37-storey grade A office building at Huaihaizhong Road in Xuhui District, which will be named "Shanghai K. Wah Center". The project is expected to complete by end of 2004 and to be delivered to tenants in 2005, providing steady rental revenue to the Group. The above 4 projects have an aggregate gross floor area close to 8,000,000 square feet.

KWCM has been expanding its presence in mainland China since mid-2002. A total of 19 projects have been approved with a total investment amount of approximately HK\$700 million, of which close to HK\$400 million has been invested and the balance to be invested in 2004. Almost half of the 19 new projects are for "green" products and high value-added products that command high entry barrier in the marketplace. The Group's strategy is to continue to diversify into upstream products.

Dr. Lui Che Woo added, "With our commitment to environmental protection, KWCM has all along been making painstaking effort to explore business opportunities in the development of environmental-friendly products. Our new core product, slag, is a good example to name. With the application of advanced technology, we are able to turn industrial waste with no commercial value into an economical construction material that could be applied in concrete production to substitute cement. This development strategy not only enhances KWCM's competitive edge, but it also plays an important part in environmental protection."

KWCM has entered into joint venture agreements with four major steel companies in mainland China to establish slag production plants. The local partners will provide raw slag for the joint venture plants to produce slag powders. The joint venture with Capital Steel Group in Beijing for the production of slag has commenced production in February 2004 with satisfactory results. The remaining three plants will also commence production in the next twelve months. Additionally, KWCM is also committed to developing other environmental-friendly products, including aerated light weight concrete, recycled aggregates and "green" road pavers.

Mr. Francis Lui, Vice Chairman of K. Wah Group continued, "With the continuous growth in the Shanghai economy, there is increasing market demand for medium to high-end residential units. Another driver is the positive impact of China's entry to the WTO where many local and overseas enterprises and investors are trying to establish their footholds in Shanghai. Therefore, we are cautiously optimistic towards the future prospects of the property market in Shanghai."

For construction materials business, KWCM will continue to strengthen its Hong Kong business while implementing new investments in mainland China. Through investment in new products that are characterized by higher technology content and bigger barrier to new entrants, KWCM is undergoing a transition to building an even more sound and solid business structure and earnings base to prepare for further growth in the future.

Mr. Lui concluded, "We strongly believe that building on our successful track record in mainland China, we have successfully laid down a solid foundation for KWIH and KWCM to enhance their continuous business developments and revenue base. With the introduction of a series of measures by the Beijing central government to help rebuild the economy, the Hong Kong property market and construction materials business has been seeing improving signs. In view of these favourable conditions, we are highly confident that we will be able to seize the opportunities ahead in both Hong Kong and mainland China, bringing in satisfactory returns to our shareholders."

KWIH and KWCM maintained a healthy financial position. With the successful issuance of convertible bonds by KWIH in February 2004 to raise net proceeds of HK\$845,000,000, together with the recent cash flow from property sales, the Group has available cash in excess of HK\$2 billion. The management will keep a close watch to market opportunities in Hong Kong and mainland China and will cautiously increase its land reserve with good development potential lands to pave the way for the Group's next stage of growth.

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

Listed on the Stock Exchange of Hong Kong in 1987, the Company is principally engaged in property development and investment in Hong Kong and mainland China. It is one of the major property developers in Hong Kong, Shanghai and Guangzhou. The Company's vision is to become a market leader in high quality residential and commercial properties in the Greater China region. It is now developing 3 residential projects and 1 commercial project in Shanghai with an aggregate floor area of approx. 8,000,000 square feet. It also operates construction materials business through its 67% subsidiary, K. Wah Construction Materials Limited. (Corporate Website: <http://www.kwih.com>)

About K. Wah Construction Materials Limited (stock code: 27)

The Company was listed on the Stock Exchange of Hong Kong in 1991 and is one of the leading construction materials suppliers in Hong Kong. Its principal business includes rock quarrying, cement, slag, ready-mixed concrete, piles, pipes and precast products. The Company entered the mainland China market in mid-1980's and is now the third largest concrete supplier in Shanghai. It also operates actively in Beijing, Nanjing, Maanshan, Kunming and the Pearl River Delta. It is the Company's strategic plan to expand its presence in mainland China by pursuing green products and high value-added products that have high entry barriers in the marketplace. The Company is a 67% subsidiary of K. Wah International Holdings Limited. (Corporate Website: <http://www.kwcml.com>)

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