

KWIH announces 2007 interim results
Profit attributable to shareholders tripled to HK\$439 million

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Promising returns expected upon launch of
approximately 10 million GFA in the next three years

Financial Highlights

For the 6 months ended June 30

	2007 (HK\$'000)	2006 (HK\$'000)	Change
Turnover	1,759,000	129,000	↑12.6 times
Gross Profit	472,000	94,000	↑ 4 times
Profit attributable to shareholders	439,000	108,000	↑ 3 times
Basic EPS	HK 18.06 cents	HK 4.52 cents	↑3 times
Interim dividend	HK 2.5 cents	HK 1.0 cent	↑ 1.5 times

(Hong Kong, 13 September 2007) – K. Wah International Holdings Limited (“KWIH” or “the Group”) (stock code: 173) today announced its unaudited interim results for the six months ended 30 June 2007 (“period under review/review period”).

During the period under review, KWIH recorded a turnover of HK\$1,759,000,000, a remarkable 12.6 times growth from the HK\$129,000,000 in the last corresponding period. Profit attributable to shareholders was HK\$439,000,000, up more than 300% against the same period last year. Basic earnings per share were HK18.06 cents. The Board of Directors has recommended payment of an interim cash dividend of HK2.5 cents per share.

Dr. Che-woo Lui, Chairman of KWIH, said, “We feel encouraged by the prominent results for the first half of 2007. For the review period, we saw a significant growth in turnover and profit with Phase 1 of Shanghai Westwood completed and revenue from presale recognized. Having commenced various projects in Hong Kong and Mainland, we target to launch a total GFA close to 10 million square feet to the market in the next three years. Sales proceeds generated upon completion of these projects, are expected to bring three consecutive harvest years to the Group, and we are confident of delivering promising returns to our shareholders.”

Projects commenced with GFA totaling 10 million square feet for launch in the next 3 years

Construction has commenced for the Group's large-scale residential projects in Shanghai, including Phase II of **Shanghai Westwood**, the project on **Jianguo Xi Road, Xuhui District** and another project in **Yanjiazhai, Jingan District**. Phase II of **Shanghai Westwood** is expected to be completed and launched in 2008.

In Guangzhou, construction of Phase I of the **Guangzhou Huadu Airport CBD Project** has commenced and is scheduled to be completed by early 2009. Planned to be developed in six phases, the **Guangzhou Huadu Mega Residential Project** will be the largest residential project in Huadu district of Guangzhou upon completion. Besides, the newly acquired land on **Jianshebei Road, Huadu, Guangzhou**, in August 2007 is earmarked for a residential development.

Development projects in Hong Kong

The Group's luxurious residential projects – **The Great Hill** in mid levels, Shatin South and **J Residence** on Johnston Road, Wanchai – will be completed in the fourth quarter of 2007. The Group will seek to launch the remaining penthouse units and houses at a favorable market. Earlier this year, the Group secured entire ownership rights to **Shiu Fai Terrace 6** in Mid-Levels East, which will be developed into a luxurious residential project. The Group will also join hands with other developers to develop two premium residential projects at Tai Po and West Kowloon.

Investment projects boast good returns, rental income to increase 30% in 2008

The Group's flagship investment property **Shanghai K. Wah Centre** on Huaihai Zhong Road, Xuhui District is 100% leased out, contributing around HK\$200 million in annual rental income to the Group. Driven by the strong demand for Grade A office space in Shanghai, office rentals are expected to be on an uptrend, translating into revenue growth for the Group.

In the second half of 2007, the Group is in negotiations with tenants at **Shanghai K. Wah Centre** about renewal of leases. Taking into account that and other investment projects, such as **J Senses** soon to be completed, the Group expects its rental revenue to increase by 30% in the coming year and be reflected in the financial statements for 2008.

Investing HK\$10 billion to replenish land reserve

The Group currently has a land portfolio of approximately 25 million square feet in terms of GFA for development in the next five years. In Mainland China, the Group is actively studying the feasibility of expanding its business in second-tier cities by exploring quality sites in cities with high development potential. These include Qingdao, Kunming, Wuxi and Suzhou. Among all, the Group has established a representative office in Kunming, and is looking for strategic partners in these markets.

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Dr. Lui concluded, “Looking ahead, we plan to invest more than HK\$10 billion to boost our land bank. In Mainland China, we will focus on developing large scale integrated property projects, mainly in second-tier cities where the Group has a presence. Apart from developing properties for sale, the Group will also strive to enhance the proportion of investment property in its business portfolio, aiming for a more balanced distribution so as to generate stable and sustainable income. Our goal is to build the Group into an integrated property developer with a diversified business covering residential, office, retail and hotel spaces.”

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

Listed on the Stock Exchange of Hong Kong in 1987, the Group is principally engaged in high quality property development and investment in Hong Kong and Mainland China. The Group's vision is to become an integrated property developer and investor in the Greater China region. The Group won Business Superbrands Awards and Business High Flyer in 2006, a testimony to its superb quality in property development and vigorous business growth. Precise marketing position and sales strategies boosted sales performance over the year. Three residential projects, namely The Great Hill in mid-level of Shatin south, J Residence on Johnston Road in Wanchai as well as Shanghai Westwood registered remarkable sales results. The company also holds 18.7% interest in Galaxy Entertainment Group (stock code: 27).

Company website: <http://www.kwih.com>

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