



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 RULE 13.16 OF THE LISTING RULES FINANCIAL ASSISTANCE TO AFFILIATED COMPANIES

In accordance with the requirements under Rule 13.16 of the Listing Rules, the Company announces the details of such financial assistance and guarantees it has given to affiliated companies.

Reference is made to the announcement made by the Company dated 5 October 2007 pursuant to Chapter 14 of the Listing Rules (“*JV Announcement*”). Terms defined in *JV Announcement* have the same meaning when used in this announcement, unless otherwise stated. Garwin Investment Limited is an affiliated company of the Company. On 17 December 2007, Pacific Bond (the wholly-owned subsidiary of Garwin Investment Limited) has executed the facility agreement and security documents in relation to the HK\$3,725,000,000 loan facilities under which the Company (on several and pro rata basis) 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. It is expected that Pacific Bond will draw down on the bank facilities on 24 December 2007.

As at the date of this announcement and in addition to the financial assistance to affiliated companies which the Company announced on 5 June 2007, the financial assistance given to, and guarantees given for facilities granted to respective wholly-owned subsidiaries of the affiliated companies of the Company named in the first column in the table below, together, amount to HK\$2,863,950,500 in aggregate (representing (approximately) 18.1% of the total assets of the Company) as follows:

| Name of affiliated companies | Company's % equity interest in the affiliated companies | Amount of loan facilities made available to the affiliated companies /respective borrowers | Amount guaranteed by the Company | Amount of committed capital injection to the affiliated companies/ respective borrowers | Execution/ Drawdown dates of the loan facilities | Amount utilized by affiliated companies/ respective borrowers | Final maturity date of the loan facilities |
|---|---|--|----------------------------------|---|---|---|---|
| | | HK\$ | HK\$ | HK\$ | | HK\$ | |
| Full Raise International Limited/ Ace Glory Limited (as borrower) | 25% | 3,100,000,000 | 775,000,000 | 437,500,000 | 23 May 2007 (execution) 30 May 2007 (drawdown) | 1,750,000,000 (50% land premium) and 1,000,000 (part construction cost) | the earlier of (a) 23 May 2011 and (b) the date falling 6 months after the issuance of the Certificate of Compliance by the Director of Lands ("Certificate") |
| Nimble Limited/ Union King (Hong Kong) Limited (as borrower) | 15% | 3,000,000,000 | 450,000,000 | 301,450,500 | 31 May 2007 (execution) 5 June 2007 (drawdown) | 2,000,000,000 (50% land premium) and 1,000,000 (part construction cost) | the earlier of (a) 31 May 2011 and (b) the date falling 6 months after the issuance of the Certificate |
| Garwin Investment Limited/ Pacific Bond Limited (as borrower) | 15% | 3,725,000,000 | 558,750,000 | 341,250,000 | 17 December 2007 (execution) 24 December 2007 (expected drawdown) | 2,275,000,000 (50% land premium) and 1,000,000 (part construction cost) | the earlier of (a) 48 months from the date of facility agreement and (b) the date falling 6 months after the issuance of the Certificate |
| Total | | | <u>1,783,750,000</u> | <u>1,080,200,500</u> | | <u>6,028,000,000</u> | |

All the above loan facilities:

1. are secured by respective guarantees and funding agreements for project cost overrun (with completion guarantee) by the Company (on several basis and pro rata to the Company's equity interest in the relevant affiliated company) and subordination agreements in respect of the indebtedness by the wholly-owned subsidiaries of the Company in favor of the relevant group of lenders; and
2. carry interest which is at normal commercial rate after arm's length negotiation with the lenders.

The respective capital injections (unsecured and on several basis and pro rata to the Company's equity interest in the relevant affiliated company) are funded from the internal resources of the Group by way of shareholder's advances.

The Company will continue to monitor the financial assistance to affiliated companies, and will comply with any further disclosure requirements (if necessary) and the relevant continuing disclosure requirements in Chapter 13 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, 17 December 2007