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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in K. Wah International Holdings Limited ("Company"), you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 173)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 3 June 2009 at 11:00 a.m. is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong as soon as possible and, in any event, so as to be received by the Company not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish.

30 April 2009

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2009 AGM”	the annual general meeting of the Company to be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 3 June 2009 at 11:00 a.m.;
“associate”	has the meaning ascribed to the expression under the Listing Rules;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company as amended from time to time, and “Bye-law” construes any bye-law thereof;
“Company”	K. Wah International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“controlling shareholder”	has the meaning ascribed to the expression under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of The People’s Republic of China;
“Latest Practicable Date”	24 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Share Option(s)”	share option(s) granted pursuant to the share option scheme adopted by the Company on 30 May 2002;
“Share Repurchase Code”	the Hong Kong Code on Share Repurchases;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to the expression under the Listing Rules;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers; and
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 173)

Executive Directors:

Dr. Che-woo Lui, GBS, MBE, JP, LLD, DSSc, DBA

(Chairman and Managing Director)

Mr. Francis Lui Yiu Tung

Ms. Paddy Tang Lui Wai Yu, JP

Mr. Lam Kwong Yu, SBS

Non-executive Directors:

Sir David Akers-Jones*, KBE, GBM, CMG, Hon. RICS, JP

Mr. Michael Leung Man Kin, CBE, JP

Dr. The Hon. Leo Lee Tung Hai*, GBM, GBS, LLD, JP

Dr. Robin Chan Yau Hing*, GBS, LLD, JP

Mr. Robert George Nield*

Dr. William Yip Shue Lam*, LLD

* Independent Non-executive Directors

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

**Principal Place of Business
in Hong Kong:**

29th Floor
K. Wah Centre
191 Java Road
North Point
Hong Kong

30 April 2009

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the notice of 2009 AGM, and the information regarding the resolutions to be proposed at the 2009 AGM relating to (i) the re-election of Directors; and (ii) the grant to the Directors of general mandates to repurchase Shares and to issue new Shares.

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 109(A) of the Bye-laws, Sir David Akers-Jones and Dr. The Hon. Leo Lee Tung Hai will retire by rotation at the 2009 AGM, and being eligible, will offer themselves for re-election. In accordance with Bye-law 100 of the Bye-laws, Mr. Lam Kwong Yu and Dr. William Yip Shue Lam will hold office until the

LETTER FROM THE BOARD

2009 AGM. Dr. William Yip Shue Lam, being eligible, will offer himself for re-election. Mr. Lam Kwong Yu has indicated to the Company his intention to retire at the conclusion of the 2009 AGM in order to allocate more time to his personal affairs. Mr. Lam Kwong Yu has confirmed that he has no disagreement with the Board and is not aware of any matter regarding his retirement that needs to be brought to the attention of the Shareholders. The Board would like to express sincere appreciation to Mr. Lam Kwong Yu for his invaluable contribution to the Company during his tenure.

Biographical details of those Directors proposed to be re-elected at the 2009 AGM are set out in Appendix I to this circular.

Each of Sir David Akers-Jones, Dr. The Hon. Leo Lee Tung Hai and Dr. William Yip Shue Lam, being an independent non-executive Director, has given to the Company his annual written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that each of Sir David Akers-Jones, Dr. The Hon. Leo Lee Tung Hai and Dr. William Yip Shue Lam meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines. Subject to his due re-election by the Shareholders at the 2009 AGM, Dr. William Yip Shue Lam will also continue to act as the chairman of the audit committee and a member of the remuneration committee of the Company.

Pursuant to Bye-law 114 of the Bye-laws, any Shareholder who wishes to nominate a person to stand for election as a Director at the 2009 AGM must lodge with the Company at its principal place of business in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong during the period from Monday, 4 May 2009 to Monday, 11 May 2009 (both days inclusive) and in any event by Monday, 11 May 2009 the latest (i) a written notice of nomination of candidate; (ii) a written confirmation from such nominated candidate of his/her willingness to be elected as a Director; and (iii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company. If valid nomination and/or information is received less than 21 days before the 2009 AGM, the Company may adjourn the 2009 AGM to allow Shareholders sufficient time to consider the nomination.

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES

At the last annual general meeting of the Company held on 27 May 2008, ordinary resolutions were passed granting to the Directors general mandates to repurchase Shares not exceeding 10% and to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at that date. These general mandates will both expire upon the conclusion of the 2009 AGM.

The Directors consider that granting general mandates for the Directors to repurchase Shares and to issue new Shares increases the flexibility of the Board in managing the Company's financial affairs and capital base and is in the interest of the Shareholders. Therefore, ordinary resolutions will be proposed at the 2009 AGM to refresh the general mandates as follows:

- (i) to grant to the Directors a general and unconditional mandate to repurchase issued Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant ordinary resolution ("**Repurchase Mandate**");
- (ii) to grant to the Directors a general and unconditional mandate to issue and allot new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant ordinary resolution ("**Share Issue Mandate**"); and

LETTER FROM THE BOARD

- (iii) conditional upon the passing of the ordinary resolutions to grant the Repurchase Mandate and the Share Issue Mandate, to extend the Share Issue Mandate by the addition thereto the number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

Full text of each of the relevant ordinary resolutions in relation to the general mandates described in (i), (ii) and (iii) above is set out as resolution numbered 5.1, 5.2 and 5.3 respectively in the notice of 2009 AGM appearing on pages 12 to 16 of this circular.

In respect of the proposed Repurchase Mandate, the Directors wish to state that they have no immediate plans to repurchase any Shares. An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against ordinary resolution numbered 5.1 approving the Repurchase Mandate at the 2009 AGM is set out in Appendix II to this circular.

In respect of the proposed Share Issue Mandate, on the assumption that there is no variation to the issued share capital of the Company during the period from the Latest Practicable Date up to and including the date of the passing of ordinary resolution numbered 5.2 approving the Share Issue Mandate at the 2009 AGM, the maximum number of Shares which may be issued and allotted by the Company pursuant to the Share Issue Mandate is 494,076,639 Shares, based on 2,470,383,196 Shares in issue as at the Latest Practicable Date and not taking into account any additional new Shares which may be issued and allotted pursuant to the extension of the Share Issue Mandate referred to in ordinary resolution numbered 5.3 set out in the notice of 2009 AGM.

ANNUAL GENERAL MEETING

A notice convening the 2009 AGM to be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 3 June 2009 at 11:00 a.m. is set out on pages 12 to 16 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the 2009 AGM will therefore demand a poll on each of the resolutions to be proposed at the 2009 AGM pursuant to Bye-law 78 of the Bye-laws.

Proxy form for use at the 2009 AGM is enclosed with this circular. Whether or not you are able to attend the 2009 AGM, you are requested to complete and sign the enclosed proxy form in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong as soon as possible, and in any event, so as to be received by the Company not less than 48 hours before the time appointed for holding the 2009 AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the 2009 AGM or any adjourned meeting thereof should you so wish.

An announcement will be published by the Company on the websites of the Company and the Stock Exchange after the conclusion of the 2009 AGM to inform Shareholders of the voting results of the 2009 AGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the Repurchase Mandate and the Share Issue Mandate are in the interests of the Company and the Shareholders and recommends Shareholders to vote in favour of the relevant ordinary resolutions. The Board also considers that it is in the interest of the Company and the Shareholders to re-elect those Directors proposed to be re-elected at the 2009 AGM and recommends Shareholders to vote in favour of the relevant resolutions.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Dr. Che-woo Lui
Chairman and Managing Director

The biographical details of the Directors proposed to be re-elected at the 2009 AGM are set out below.

Sir David Akers-Jones, KBE, GBM, CMG, Hon. RICS, JP, (independent non-executive Director) aged 82, was Adviser to the boards of the Company and K. Wah Construction Materials Limited (now Galaxy Entertainment Group Limited) from 1989 to 1997. He has been a Director since July 1997 and became an independent non-executive Director since 1998. He is an independent non-executive director of China Everbright International Limited, deputy chairman and non-executive director of both CNT Group Limited and Hysan Development Company Limited, all of which are publicly listed companies on the Main Board of the Stock Exchange in Hong Kong and is a member of many charitable organizations. He was previously a member of the Hong Kong Civil Service and held senior appointments concluding with that of Chief Secretary and acting Governor before he retired in 1987. He was awarded the highest award of the Grand Bauhinia Medal in 2002 by the Government of the HKSAR.

Save as disclosed above and apart from being an independent non-executive Director, Sir David Akers-Jones did not hold any directorship in any other listed public company in the past three years preceding the Latest Practicable Date. He does not hold any other positions in the Company or any of its subsidiaries.

Save as disclosed above and except for the relationship arising from his directorship in the Company, Sir David Akers-Jones does not have any relationships with any other Directors, senior management, or substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Sir David Akers-Jones. Sir David Akers-Jones' appointment is however for a specified term of 3 years. He is also subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. The remuneration of Sir David Akers-Jones comprises director's fee (which will be proposed by the Board and approved by the Shareholders at the subsequent year's annual general meeting) and discretionary Share Options. An annual director's fee of HK\$100,000 is proposed by the Board for payment to Sir David Akers-Jones for the year ended 31 December 2008, subject to the approval of the Shareholders at the 2009 AGM. Such director's fee had been reviewed by the remuneration committee of the Company. The remuneration of Sir David Akers-Jones is determined by reference to his duties and responsibilities in the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for the same position.

As at the Latest Practicable Date, Sir David Akers-Jones was interested in 650,000 Share Options. Save as disclosed, as at the Latest Practicable Date, Sir David Akers-Jones did not have any interest in the Shares within the meaning of Part XV of the SFO.

There is no information relating to the re-election of Sir David Akers-Jones which is discloseable nor is he involved in any of the matters which fall to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Dr. The Hon. Leo Lee Tung Hai, GBM, GBS, LLD, JP, (independent non-executive Director) aged 87, has been a Director since June 1989 and has become an independent non-executive Director since 1998. Dr. Lee is the Chairman of the Tung Tai Group of Companies. His directorships in several publicly listed companies on the Main Board of the Stock Exchange in Hong Kong are the non-executive director of Asia Financial Holdings Limited and independent non-executive director of Liu Chong Hing Investment Limited. He resigned as the independent non-executive director of both Beijing Enterprises Holdings Limited and Termbary Industries International (Holdings) Limited in 2008 and also resigned as the independent non-executive director of Shell Electric Mfg. (Holdings) Company Limited in 2009. He is a member of a number of public services committees and heads many social service organizations, including as Vice President of the China Overseas Friendship Association, Founding Permanent Honorary President of Friends of Hong Kong Association, Adviser of the Advisory Board of the Tung Wah Group of Hospitals and Chairman of the Association of Chairmen of the Tung Wah Group of Hospitals. Dr. Lee served as a Standing Committee Member of the eighth and ninth National Committees of the Chinese People's Political Consultative Conference; an Adviser on Hong Kong Affairs to the Hong Kong & Macau Affairs Office of the State Council and Xinhua News Agency, Hong Kong Branch; a member of the Preparatory Committee for the Hong Kong Special Administrative Region; and a member of the Selection Committee for the First Government of the HKSAR. He has been honoured with awards by different governments, which include Cavaliere di Gran Croce of Italy, O.B.E. of Great Britain, Chevalier Legion d'Honneur of France, Commandeur de l'Ordre de Leopold II of Belgium and Gold Bauhinia Star of the Government of the HKSAR in 1999. Dr. Lee was awarded the highest honour of the Grand Bauhinia Medal in July 2006 by the Government of the HKSAR. In 2007, Dr. Lee has been honoured with the "Icebreaker Award" by The 48 Group Club as a recognition of his contribution to the promotion of Sino-UK trade relations. Dr. Lee has over 50 years of experience in business management.

Save as disclosed above and apart from being an independent non-executive Director, Dr. Lee did not hold any directorship in any other listed public company in the past three years preceding the Latest Practicable Date. He does not hold any other positions in the Company or any of its subsidiaries.

Save as disclosed above and except for the relationship arising from his directorship in the Company, Dr. Lee does not have any relationships with any other Directors, senior management, or substantial shareholders or controlling shareholders of the Company.

There is no service contract entered into between the Company and Dr. Lee. Dr. Lee's appointment is however for a specified term of 3 years. He is also subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. The remuneration of Dr. Lee comprises director's fee (which will be proposed by the Board and approved by the Shareholders at the subsequent year's annual general meeting) and discretionary Share Options. An annual director's fee of HK\$100,000 is proposed by the Board for payment to Dr. Lee for the year ended 31 December 2008, subject to the approval of the Shareholders at the 2009 AGM. Such director's fee had been reviewed by the remuneration committee of the Company. The remuneration of Dr. Lee is determined by reference to his duties and responsibilities in the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for the same position.

As at the Latest Practicable Date, Dr. Lee was interested in 550,000 Shares and 500,000 Shares Options. Save as disclosed, as at the Latest Practicable Date, Dr. Lee did not have any interest in the Shares within the meaning of Part XV of the SFO.

There is no information relating to the re-election of Dr. Lee which is discloseable nor is he involved in any of the matters which fall to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Dr. William Yip Shue Lam, LLD, (independent non-executive Director) aged 71, joined as independent non-executive Director, the chairman of the audit committee and a member of the remuneration committee of the Company in June 2008. He holds a Bachelor of Arts degree and an honorary Doctor of Laws degree from the Concordia University, Canada. He is the founder and the Chairman of Canada Land Limited, a company listed on the Australian Stock Exchange and engaged in real estate development and tourist attraction business. Dr. Yip is also an independent non-executive director of Galaxy Entertainment Group Limited. He is also the Chairman of Cantravel Limited, Guangzhou. Dr. Yip has been active in public services and is presently a Standing Committee Member of The Chinese General Chamber of Commerce and the President of Concordia Hong Kong Foundation Limited. He is also serving on the Board of Governors of The Canadian Chamber of Commerce in Hong Kong. In addition, Dr. Yip has been elected a Guangzhou Municipal Honorable Citizen.

Save as disclosed above and apart from being an independent non-executive Director, Dr. Yip did not hold any directorship in any other listed public company in the past three years preceding the Latest Practicable Date. Save as disclosed above, Dr. Yip does not hold any other positions in the Company or any of its subsidiaries.

Save as disclosed above and except for the relationship arising from his directorship in the Company, Dr. Yip does not have any relationships with any other Directors, senior management, or substantial shareholders or controlling shareholders of the Company.

Dr. Yip has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. He is also subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. The remuneration of Dr. Yip comprises director's fee (which will be proposed by the Board and approved by the Shareholders at the subsequent year's annual general meeting) and discretionary Share Options. A director's fee of HK\$53,279 is proposed by the Board for payment to Dr. Yip for his service as an independent non-executive Director for the year ended 31 December 2008. Besides, additional fees of HK\$53,279 and HK\$21,311 are proposed by the Board for payment to Dr. Yip for the year ended 31 December 2008 for acting as the chairman of the audit committee and a member of the remuneration committee of the Company respectively. All these fees were calculated on a pro rata basis by reference to the actual number of days in office in the year, and had been reviewed by the remuneration committee of the Company (and without Dr. Yip participating in determining his own fees), but are still subject to the approval of the Shareholders at the 2009 AGM. The remuneration of Dr. Yip is determined by reference to his duties and responsibilities in the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for the same positions.

As at the Latest Practicable Date, Dr. Yip did not have any interest in the Shares within the meaning of Part XV of the SFO.

There is no information relating to the re-election of Dr. Yip which is discloseable nor is he involved in any of the matters which fall to be disclosed pursuant to any of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate to be proposed at the 2009 AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$247,038,319.6 comprising 2,470,383,196 fully paid Shares, and there were also outstanding Share Options in respect of 45,596,210 Shares.

Subject to the passing of the ordinary resolution no. 5.1 set out in the notice of 2009 AGM approving the proposed Repurchase Mandate and on the assumption that no further Shares will be issued (whether generally or pursuant to the exercise of the outstanding Share Options) and no Shares will be repurchased prior to the 2009 AGM, the Company would be allowed to repurchase a maximum of 247,038,319 Shares during the period, as referred to in the said ordinary resolution no. 5.1, in which the Repurchase Mandate is in force.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interest of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in the circumstances where they consider that the repurchase would be in the best interest of the Company and in the circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2008, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the Repurchase Mandate were to be exercised in full under the prevailing market value, there might be a material adverse impact on the working capital position and gearing position of the Company. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital requirement or the gearing level of the Company which in their opinion is from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Bye-laws and the applicable laws of Bermuda.

EFFECT OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Share Repurchase Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Dr. Che-woo Lui and his associates beneficially owned 1,416,332,994 Shares representing approximately 57.33% of the issued share capital of the Company. In addition, a substantial shareholder was interested in 345,661,403 Shares representing approximately 13.99% of the issued share capital of the Company as at the Latest Practicable Date. Based on such shareholding interests and in the event that the powers to repurchase Shares pursuant to the Repurchase Mandate were to be exercised in full and taking no account of the exercise of the outstanding Share Options, the respective interests held by Dr. Che-woo Lui and his associates and by the aforesaid substantial shareholder in the Company will increase to approximately 63.70% and 15.55% respectively of the issued share capital of the Company. The Directors are not aware of any consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate in such a way as would result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Although such increases may not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code, the aggregate shareholdings of Dr. Che-woo Lui and his associates as well as that substantial shareholder (totaling 79.25%) would result in the public float of the Company falling below the requisite 25% threshold under the Listing Rules. The Directors have no present intention to exercise the Repurchase Mandate in such a way as would result in the number of Shares held by the public being reduced to less than 25%.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the past twelve months preceding and up to the Latest Practicable Date:

Month	Highest (HK\$)	Lowest (HK\$)
2008		
April	3.47	2.60
May	3.90	3.35
June	4.22	3.20
July	3.28	2.91
August	2.96	2.22
September	2.35	1.58
October	1.73	0.87
November	1.04	0.81
December	1.41	0.86
2009		
January	1.43	1.00
February	1.07	0.93
March	1.17	0.84
April (up to the Latest Practicable Date)	1.28	1.24

REPURCHASE OF SHARES

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

NOTICE OF ANNUAL GENERAL MEETING



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 173)

NOTICE IS HEREBY GIVEN that the annual general meeting (“**AGM**”) of K. Wah International Holdings Limited (“**Company**”) will be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Wednesday, 3 June 2009 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and the independent auditor for the year ended 31 December 2008 of the Company;
2. To declare a final dividend for the year ended 31 December 2008;
3. To elect directors and fix the directors’ remuneration;
4. To re-appoint auditor and authorise the directors to fix its remuneration;
5. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions of the Company:

5.1 “**THAT**

- (a) subject to paragraph (b) of this resolution no. 5.1, a general and unconditional mandate be and is hereby granted to the directors of the Company (“**Directors**”) to exercise all the powers of the Company to repurchase or otherwise acquire, on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the securities of the Company are or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, shares in the capital of the Company including any form of depositary receipt representing the right to receive such shares issued by the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased or otherwise acquired by the Company pursuant to the approval in paragraph (a) of this resolution no. 5.1 above during the Relevant Period (as hereinafter defined) shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution no. 5.1, and the said mandate shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution no. 5.1,

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5.1 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given by this resolution no. 5.1 by the passing of an ordinary resolution by the shareholders of the Company in general meeting.”

5.2 “**THAT**

- (a) subject to paragraphs (b) and (c) of this resolution no. 5.2, a general and unconditional mandate be and is hereby granted to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options which would require the exercise of such powers;
- (b) the mandate in paragraph (a) of this resolution no. 5.2 above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, warrants and options which might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate nominal amount of shares of the Company allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with, (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution no. 5.2 above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company; or (iii) any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of shares of the Company or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty per cent. (20%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution no. 5.2, and the said mandate shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this resolution no. 5.2:

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5.2 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution no. 5.2 by the passing of an ordinary resolution by the shareholders of the Company in general meeting, and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities which carry the rights to subscribe for or purchase shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the registers of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

5.3 “**THAT** conditional upon the passing of resolutions no. 5.1 and no. 5.2 set out in the notice of this meeting, the general mandate granted to the Directors pursuant to resolution no. 5.2 set out in the notice of this meeting and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company repurchased or otherwise acquired by the Company under the authority granted pursuant to resolution no. 5.1 set out in the notice of this meeting, provided that such extended amount shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution.”

By order of the board of directors
Leung Wai Yee
Company Secretary

Hong Kong, 30 April 2009

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Notes:

- (i) Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy needs not be a shareholder of the Company.
- (ii) Where there are joint holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, then one of the said persons so present whose name stands first on the registers of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) To be valid, the proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited at the principal place of business of the Company in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong (for the attention of the company secretary of the Company) not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude a shareholder from attending and voting in person at the AGM or any adjourned meeting thereof should he/she so wish.
- (iv) With regard to agenda item 2 above, the board of directors of the Company (“**Board**”) has recommended a final cash dividend of 1 HK cent per share.
- (v) The registers of members of the Company will be closed from 27 May 2009 to 3 June 2009 (both days inclusive) during which period no share transfer will be effected. In order to qualify for the proposed final cash dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 26 May 2009 for registration.
- (vi) With regard to agenda item 3 above, Sir David Akers-Jones, Dr. The Hon. Leo Lee Tung Hai and Dr. William Yip Shue Lam, all being independent non-executive Directors, will retire and stand for re-election at the AGM. Their biographical details are set out in appendix I to the circular dated 30 April 2009 issued by the Company to shareholders. The Board recommends the re-election of all the three retiring Directors, and re-election of each of the retiring Directors will be voted on individually by a separate resolution.
- (vii) Also, with regard to agenda item 3 above, the remuneration payable to the Directors who serve on the Board and the audit committee (“**Audit Committee**”) and the remuneration committee (“**Remuneration Committee**”) of the Company for year ended 31 December 2008, and for each financial year afterwards until the Company in next or subsequent general meeting otherwise determines, will be at the levels as shown in the table below. Such remuneration payable to the Directors will be calculated, if applicable, on a pro rata basis by reference to the actual number of days in office in the relevant financial year.

**Fee for Director acting as such
for the year ended 31 December 2008
(and for subsequent financial years
until otherwise determined)**

	Chairman	Member
	<i>HK\$</i>	<i>HK\$</i>
The Board	120,000	100,000
Audit Committee	100,000	80,000
Remuneration Committee	50,000	40,000

- (viii) With regard to agenda item 4 above regarding the authorisation for the Directors to fix auditor’s remuneration, shareholders are advised that, in practice, auditor’s remuneration for the year ending 31 December 2009 cannot be determined at the beginning of the year because such remuneration will vary by reference to the scope and extent of audit and other work performed in the year. In order to be able to charge the amount of auditor’s remuneration as operating expenses for the year ending 31 December 2009, shareholders’ approval to delegate the authority to the Directors to fix the auditor’s remuneration is required, and is hereby sought, at the AGM.

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- (ix) With regard to agenda item 5 above, shareholders are advised that, at present, the Directors do not have any immediate plans to issue any new shares or repurchase any existing shares of the Company pursuant to the general mandates referred therein. However, the Directors believe that it is in the interest of the Company and its shareholders to grant such general mandates to the Directors to enable them to issue and repurchase shares. Shareholders' attention is also drawn to the explanatory statement on the proposed repurchase mandate in appendix II to the circular dated 30 April 2009 issued by the Company to shareholders.