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

(Incorporated in Bermuda with limited liability)

(Stock Code: 173)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

INTERIM RESULTS HIGHLIGHTS

The Board of Directors (“**Board**”) of K. Wah International Holdings Limited (“**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (together the “**Group**”) for the six months ended 30 June 2009 (“**Period**”) as follows:

- Revenue was HK\$1,089 million (2008: HK\$716 million)
- Profit for the Period was HK\$168 million (2008: HK\$333 million)
- Profit attributable to shareholders was HK\$155 million (2008: HK\$251 million)
- Earnings per share was 6.27 HK cents (2008: 10.18 HK cents)

INTERIM DIVIDEND

The Board has declared an interim cash dividend for the Period of 1 HK cent per share, totaling HK\$24,704,000, payable on 6 November 2009 to the shareholders whose names appear on the registers of members of the Company at the close of business on 9 October 2009 (2008: an interim cash dividend of 1 HK cent per share, totaling HK\$24,704,000).

CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT (unaudited)
For the six months ended 30 June 2009

	<i>Note</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Revenue	3	1,088,993	715,672
Cost of sales		(480,794)	(362,511)
Gross profit		608,199	353,161
Other operating income		8,296	32,046
Other net (losses)/gains		(694)	84,553
Other operating expenses		(3,616)	(5,982)
Administrative expenses		(112,971)	(113,921)
Change in fair value of investment properties		(71,040)	107,434
Finance costs		(42,181)	(55,444)
Share of profits less losses of jointly controlled entities		(13,855)	40,941
Share of losses of associated companies		(31)	(18)
Profit before taxation	4	372,107	442,770
Taxation charge	5	(204,571)	(109,380)
Profit for the period		167,536	333,390
Attributable to:			
Shareholders		154,847	250,601
Minority interests		12,689	82,789
		167,536	333,390
Interim dividend	7	24,704	24,704
Earnings per share	6	<i>HK cents</i>	<i>HK cents</i>
Basic		6.27	10.18
Diluted		6.27	10.12

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

For the six months ended 30 June 2009

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the period	167,536	333,390
Other comprehensive income		
Change in fair value of non-current investments	159,234	(368,839)
Exchange differences	93	330,456
Other comprehensive income/(loss) for the period, net of tax	159,327	(38,383)
Total comprehensive income for the period	326,863	295,007
Total comprehensive income attributable to		
Shareholders	313,946	136,221
Minority interests	12,917	158,786
	326,863	295,007

CONDENSED CONSOLIDATED BALANCE SHEET (unaudited)
As at 30 June 2009

		30 June 2009	31 December 2008
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		67,967	57,831
Investment properties		3,674,195	3,746,543
Leasehold land and land use rights		66,386	66,739
Jointly controlled entities		2,337,025	2,282,665
Associated companies		740,900	714,198
Non-current investments		331,468	172,233
Other non-current assets		98,701	4,858
		<u>7,316,642</u>	<u>7,045,067</u>
Current assets			
Development properties		6,111,980	5,682,099
Debtors and prepayments	8	1,044,129	939,375
Tax recoverable		3,681	5,756
Cash and bank balances		2,823,759	1,291,179
		<u>9,983,549</u>	<u>7,918,409</u>
Total assets		<u>17,300,191</u>	<u>14,963,476</u>
EQUITY			
Share capital		247,038	247,038
Reserves		7,751,673	7,458,661
Shareholders' funds		<u>7,998,711</u>	<u>7,705,699</u>
Minority interests		1,139,603	1,198,556
Total equity		<u>9,138,314</u>	<u>8,904,255</u>
LIABILITIES			
Non-current liabilities			
Borrowings		3,413,592	2,325,615
Deferred taxation liabilities		588,576	608,888
		<u>4,002,168</u>	<u>2,934,503</u>
Current liabilities			
Amounts due to jointly controlled entities		56,281	56,313
Creditors and accruals	9	1,958,571	562,862
Current portion of borrowings		1,883,003	2,418,072
Tax payable		237,150	87,471
Dividend payable		24,704	-
		<u>4,159,709</u>	<u>3,124,718</u>
Total liabilities		<u>8,161,877</u>	<u>6,059,221</u>
Total equity and liabilities		<u>17,300,191</u>	<u>14,963,476</u>

NOTES

1. Basis of preparation

The interim financial information has been prepared under the historical cost convention, as modified by the revaluation of investment properties and non-current investments, which are carried at fair value and in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies and methods of computation used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2008, except as stated below.

The adoption of new/revised HKFRS

In 2009, the Group adopted the new accounting standards, amendments and interpretation of Hong Kong Financial Reporting Standards (“HKFRS”) below, which are relevant to its operations.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 2 (Amendment)	Share-based Payment
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HKICPA’s improvement to certain HKFRS published in October 2008	
- HKAS 1 (Amendment)	Presentation of Financial Statements
- HKAS 10 (Amendment)	Events after the Reporting Period
- HKAS 16 (Amendment)	Property, Plant and Equipment
- HKAS 19 (Amendment)	Employee Benefits
- HKAS 23 (Amendment)	Borrowing Costs
- HKAS 27 (Amendment)	Consolidated and Separate Financial Statements
- HKAS 28 (Amendment)	Investments in Associates
- HKAS 31 (Amendment)	Interests in Joint Ventures
- HKAS 34 (Amendment)	Interim Financial Reporting
- HKAS 36 (Amendment)	Impairment of Assets
- HKAS 38 (Amendment)	Intangible Assets
- HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement
- HKAS 40 (Amendment)	Investment Property
- HKFRS 7 (Amendment)	Financial Instruments: Disclosures

The Group has assessed the impact of the adoption of these new standards, amendments and interpretation and considered that there was no significant impact on the Group’s results and financial position nor any substantial changes in the Group’s accounting policies and presentation of the financial statements except the presentation of the consolidated statement of comprehensive income to present the non-owner consolidated changes in equity as required under HKAS 1 (Revised) and the segment information as required under HKFRS 8.

1. Basis of preparation (Cont'd)

Standards, interpretations and amendments to existing standards that are not yet effective

		Effective for accounting periods <u>beginning on or after</u>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement	1 July 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HK(IFRIC) – Int 17	Distributions on Non-cash Assets to Owners	1 July 2009
HK(IFRIC) – Int 18	Transfers of Assets from Customers	1 July 2009
HKAS 7 (Amendment)	Statement of Cash Flows	1 January 2010
HKAS 17 (Amendment)	Leases	1 January 2010
HKAS 36 (Amendment)	Impairment of Assets	1 January 2010
HKFRS 2 (Amendment)	Share-based Payment	1 January 2010
HKFRS 8 (Amendment)	Operating Segments	1 January 2010

The Group has not early adopted the above standards, amendments and interpretations, which are relevant to its operations and is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the financial statements will result.

2. Segment information

The Group is principally engaged in property development and investment in Hong Kong, Mainland China and Singapore. In Japan, the Group carries on trading of plant and machinery. In accordance with the internal financial reporting of the Group provided to the chief operating decision-maker for the purposes of allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are property development and investment ("Properties") and trading of plant and machinery ("Trading").

There are no sales or trading transactions between the operating segments. Others includes corporate level activities.

Other operating income/expenses, other net gains/losses, finance costs, share of profits less losses of jointly controlled entities and associated companies are not included in the result for each operating segment that is reviewed by the chief operating decision-maker.

Segment assets primarily consist of property, plant and equipment, other non-current assets, properties, debtors and prepayments, tax recoverable and cash and bank balances and other assets mainly include non-current investments. Segment liabilities comprise mainly creditors and accruals, amounts due to jointly controlled entities, borrowings, current and deferred taxation liabilities. Other liabilities included liabilities not arising from the operation of the operating segments.

2. Segment information (Cont'd)

	Properties <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2009				
Revenue	<u>1,029,402</u>	<u>59,591</u>	-	<u>1,088,993</u>
Segment results	<u>420,745</u>	<u>5,815</u>	<u>(2,372)</u>	424,188
Other operating income				8,296
Other net losses				(694)
Other operating expenses				(3,616)
Finance costs				(42,181)
Share of profits less losses of jointly controlled entities	(13,855)	-	-	(13,855)
Share of losses of associated companies	(31)	-	-	<u>(31)</u>
Profit before taxation				372,107
Taxation charge				<u>(204,571)</u>
Profit for the period				<u>167,536</u>
Capital expenditure	(1,035)	-	(12,000)	(13,035)
Depreciation	(3,020)	-	-	(3,020)
Amortisation	(405)	-	-	(405)
Change in fair value of investment properties	<u>(71,040)</u>	<u>-</u>	<u>-</u>	<u>(71,040)</u>
As at 30 June 2009				
Segment assets	13,859,730	26,822	-	13,886,552
Other assets	-	-	335,714	335,714
Jointly controlled entities	2,337,025	-	-	2,337,025
Associated companies	<u>740,900</u>	-	-	<u>740,900</u>
Total assets	<u>16,937,655</u>	<u>26,822</u>	<u>335,714</u>	<u>17,300,191</u>
Total liabilities	<u>8,120,856</u>	<u>12,246</u>	<u>28,775</u>	<u>8,161,877</u>

2. Segment information (Cont'd)

	Properties <i>HK\$'000</i>	Trading <i>HK\$'000</i>	Others <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 June 2008				
Revenue	<u>620,079</u>	<u>95,593</u>	<u>-</u>	<u>715,672</u>
Segment results	<u>344,094</u>	<u>4,916</u>	<u>(2,336)</u>	346,674
Other operating income				32,046
Other net gains				84,553
Other operating expenses				(5,982)
Finance costs				(55,444)
Share of profits less losses of jointly controlled entities	40,941	-	-	40,941
Share of losses of associated companies	(18)	-	-	<u>(18)</u>
Profit before taxation				442,770
Taxation charge				<u>(109,380)</u>
Profit for the period				<u>333,390</u>
Capital expenditure	(2,496)	-	-	(2,496)
Depreciation	(1,735)	-	-	(1,735)
Amortisation	(9,108)	-	-	(9,108)
Change in fair value of investment properties	<u>107,434</u>	<u>-</u>	<u>-</u>	<u>107,434</u>
As at 31 December 2008				
Segment assets	11,756,187	33,398	-	11,789,585
Other assets	-	-	177,028	177,028
Jointly controlled entities	2,282,665	-	-	2,282,665
Associated companies	714,198	-	-	714,198
Total assets	<u>14,753,050</u>	<u>33,398</u>	<u>177,028</u>	<u>14,963,476</u>
Total liabilities	<u>6,031,309</u>	<u>23,718</u>	<u>4,194</u>	<u>6,059,221</u>

2. Segment information (Cont'd)

Geographical segment information

The Group operates in four main geographical areas, including Hong Kong, Mainland China, Singapore and Japan.

The revenue for the six months ended 30 June 2009 and total non-current assets as at 30 June 2009 and 31 December 2008 by geographical area are as follows:

Revenue

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Hong Kong	61,828	438,252
Mainland China	957,959	150,375
Singapore	9,615	31,452
Japan	59,591	95,593
	<u>1,088,993</u>	<u>715,672</u>

Non-current assets

	30 June 2009 <i>HK\$'000</i>	31 December 2008 <i>HK\$'000</i>
Hong Kong	3,312,282	3,019,635
Mainland China	3,864,195	3,851,720
Singapore	139,519	173,018
Japan	646	694
	<u>7,316,642</u>	<u>7,045,067</u>

Certain comparative figures have been restated to conform with the adoption of HKFRS8 - Operating Segments.

3. Revenue

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Sales of properties	899,179	496,259
Rental income	130,223	123,820
Sale of goods	59,591	95,593
	<u>1,088,993</u>	<u>715,672</u>

4. Profit before taxation

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit before taxation is stated after crediting:		
Net exchange gains	-	80,629
Interest income	5,499	7,394
Dividend income	187	-
Gain on disposal of a subsidiary	-	3,985
Gain on disposal of property, plant and equipment	7	-
	<u>7</u>	<u>-</u>
and after charging :		
Cost of inventories sold	49,233	85,783
Cost of properties sold	391,386	216,009
Depreciation (net of capitalisation)	3,020	1,735
Amortisation for leasehold land and land use rights (net of capitalisation)	405	9,108
Net exchange losses	701	-
Operating lease rental for land and buildings	1,103	890
Loss on disposal of property, plant and equipment	-	61
	<u>-</u>	<u>61</u>

5. Taxation charge

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Current taxation		
Hong Kong profits tax	-	27,505
Overseas taxation	92,301	34,542
Mainland China land appreciation tax	129,250	2,636
Deferred taxation	(16,980)	44,697
	<u>204,571</u>	<u>109,380</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits for the period after setting off available tax losses brought forward. Taxation assessable on profits generated overseas has been provided at the rates of taxation prevailing in the countries in which the Group operates.

Land appreciation tax in Mainland China is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditure including lease charges of land use rights and all property development expenditures, which is included in the profit and loss statement as taxation charge.

6. Earnings per share

The calculation of basic and diluted earnings per share for the period is based on the following:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit attributable to shareholders	154,847	250,601
Effect of dilutive potential ordinary shares		
Interest on convertible bonds, net of tax	-	722
Profit for calculation of diluted earnings per share	<u>154,847</u>	<u>251,323</u>
	2009	2008
Weighted average number of shares for calculating basic earnings per share	2,470,383,000	2,460,766,000
Effect of dilutive potential ordinary shares		
Share options	99,000	3,414,000
Convertible bonds	-	19,713,000
Weighted average number of shares for calculating diluted earnings per share	<u>2,470,482,000</u>	<u>2,483,893,000</u>

The diluted earnings per share for 2009 is equal to the basic earnings per share since the exercise of the outstanding share options would not have a dilutive effect on the earnings per share.

7. Interim dividend

The Board has declared an interim cash dividend of HK\$24,704,000 (being 1 HK cent per share) (2008: an interim cash dividend of 1 HK cent per share, totaling HK\$24,704,000). This amount will be accounted for as an appropriation of revenue reserves in the year ending 31 December 2009.

8. Debtors and prepayments

	30 June	31 December
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade debtors, net of provision	10,612	12,693
Other debtors, net of provision	23,299	40,643
Land deposits, net of impairment	894,879	860,709
Prepayments and deposits	115,339	25,330
	<u>1,044,129</u>	<u>939,375</u>

Trade debtors mainly comprise receivable for sales of goods and rental. Rental from tenants is due and payable in advance. The terms for sales of goods vary and are determined with reference to the prevailing market conditions.

8. Debtors and prepayments (Cont'd)

The aging analysis of the trade debtors of the Group based on the date of invoices and net of provision for bad and doubtful debts is as follows:

	30 June 2009	31 December 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one month	8,698	10,757
Two to three months	1,913	1,816
Four to six months	1	120
	10,612	12,693

9. Creditors and accruals

	30 June 2009	31 December 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade creditors	364,485	287,248
Other creditors	23,046	19,183
Amounts due to minority shareholders	149,347	119,146
Accrued operating expenses	32,129	32,379
Advanced proceeds on sale of properties	1,304,945	22,129
Deposits received	84,619	82,777
	1,958,571	562,862

The aging analysis of the trade creditors of the Group based on the dates of the invoices is as follows:

	30 June 2009	31 December 2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one month	363,296	285,936
Two to three months	1,157	1,295
Four to six months	16	-
Over six months	16	17
	364,485	287,248

MANAGEMENT DISCUSSION AND ANALYSIS

(I) BUSINESS REVIEW AND OUTLOOK

Operating Results

Revenue and profit attributable to shareholders for the Period was HK\$1,089 million and HK\$155 million respectively, compared to HK\$716 million and HK\$251 million for the same period last year. The decrease in profit was mainly due to lesser projects being completed for profit recognition during the Period.

Property Development and Investment in Mainland China

The property market in Mainland China particularly in core cities remains positive due to strong domestic demand for high quality residential property. To take advantage of the market conditions, the Group launched its project Shanghai Westwood II in late 2008, offering up to 1,061 residential flats to the market. Market responses were encouraging and over 90% of the units have been sold or pre-sold. The remarkable sales have prompted the Group to speed up the development of other projects in Shanghai. Together with the projects in Guangzhou and Jiangmen, the Group continues to develop the residential and commercial development projects with total development attributable gross floor area of approximately 21,000,000 square feet and they are progressing well in accordance with schedule. On the investment side, the Group continues to have satisfactory rental income from its Shanghai K. Wah Centre, as well as other investment properties.

Property Development and Investment in Hong Kong

The property market in Hong Kong regained its momentum during the Period. Both property transaction volume and prices have recorded increases. The second quarter of 2009 also saw appreciation in the capital value of the luxurious residential sector, while the capital value of office space firmed up gradually. The Group continues to develop its residential development projects with attributable gross floor area of approximately 700,000 square feet. Most of these development projects are scheduled for completion in 2010 and 2011. During the Period, the Group achieved satisfactory occupancy and rental rates for its investment properties.

Investment in Galaxy Entertainment Group Limited (GEG)

The Group continues to hold its investment in GEG which is being carried at fair value. As of 30 June 2009, the share price of GEG was HK\$2.04 as compared to HK\$1.06 at 31 December 2008. The change in the fair value of approximately HK\$159 million was recorded in reserve.

Outlook

There is no doubt that we are still suffering from the economic downturn as a consequence of the global financial crisis. Unemployment rate continues to rise and output per capita is projected to decline in many countries. Coping with these, most countries have made strong efforts to implement stimulus packages to revive the economies. To a certain extent, the deterioration of financial condition has eased off whilst the business environment is becoming better.

For Mainland China's economy, it shows a sign of recovery amid the global financial crisis on the back of its strong economic foundation and stimulus policies. The property market in Mainland China and Hong Kong regained its momentum during the Period although the economy has not yet fully recovered. Sentiment improved due to speculation that the economy had bottomed out; however, uncertainties and difficulties still persist in world economic development.

The Group is cautiously adjusting its business strategies to develop the residential and commercial projects in phases in the light of the changing market conditions. The management will continue to exercise caution in utilising available funds to make acquisitions.

(II) FINANCIAL REVIEW

Financial Position

The financial position of the Group remained strong. As of 30 June 2009, total funds employed was approximately HK\$14 billion (31 December 2008: HK\$14 billion).

There was no change in the number of the issued shares of the Company during the Period as no share options were exercised and the outstanding convertible bonds were fully redeemed.

Liquidity and Gearing Ratio

Cash and bank balances as of 30 June 2009 increased to HK\$2,824 million and the gearing ratio, defined as the total loans outstanding less cash balances to total assets, reduced from 25% as at 31 December 2008 to 17%.

The Group's liquidity and gearing ratio stayed at a healthy level and the Group has sufficient funds to meet its working capital and project development requirements, future acquisitions and investments.

Treasury Policies

The Group continues to adopt a conservative approach regarding foreign exchange exposure, which is managed to minimise risk. The majority of the Group's borrowings are in Hong Kong dollar. Forward foreign exchange contracts are utilised when suitable opportunities arise and when considered appropriate, to hedge against foreign exchange exposures. Interest rate swap contracts may also be utilised when considered appropriate to avoid the impact of any undue interest rate fluctuation on the operation. During the Period, the Group has not engaged in the use of derivative products.

Charges on Group Assets

As of 30 June 2009, certain subsidiaries of the Group pledged assets (comprising investment properties, development properties, leasehold land and land use rights and buildings) with aggregate carrying values of HK\$7,968 million (31 December 2008: HK\$6,409 million) to banks to secure the Group's borrowing facilities.

Guarantees

The Company has executed guarantees in favour of banks and financial institutions in respect of facilities granted to certain subsidiaries, jointly controlled entities and associated companies amounting to HK\$5,474 million (31 December 2008: HK\$5,953 million), HK\$2,404 million (31 December 2008: HK\$2,404 million) and HK\$1,009 million (31 December 2008: HK\$1,009 million) respectively, of which HK\$3,990 million (31 December 2008: HK\$4,016 million), HK\$1,467 million (31 December 2008: HK\$1,437 million) and HK\$642 million (31 December 2008: HK\$642 million) have been utilised respectively.

The Company had redeemed the entire amount of the outstanding 0.5% guaranteed convertible bonds of HK\$20 million at 91.49% of their principal amount on its maturity on 23 March 2009. The outstanding amount of such convertible bonds was HK\$20 million as of 31 December 2008.

The Company has executed a guarantee in favour of the HKSAR Government in respect of the performance obligation of an investee company under a contract with the HKSAR Government.

Employees and Remuneration Policy

As of 30 June 2009, the Group, excluding jointly controlled entities and associated companies, employs 331 employees in Hong Kong and Mainland China. Employee costs, excluding Directors' emoluments, amounted to HK\$84 million for the Period under review.

The Group continues to attract, retain, motivate and promote competent and committed individuals for its long term success and growth. The Group believes our remuneration packages are fair and competitive based on quality, merit and development potentials.

With approval by the shareholders in 1989, the Group has a share option scheme for executives and general staff for the purpose of providing competitive remuneration package and long term retention of management talents and good performers. Likewise in Mainland China, employees' remuneration is commensurate with market pay levels with the emphasis on provision of training and development opportunities.

CORPORATE GOVERNANCE

During the Period, save for code provisions A.2.1 and A.4.2, the Company has complied with all the code provisions in the Code on Corporate Governance Practices set out in the Appendix 14 to the Rules Governing the Listing of Securities (“*Listing Rules*”) on The Stock Exchange of Hong Kong Limited. The Board believes that the underlying rationale for such deviations, as mentioned under the section headed “COMPLIANCE WITH APPENDIX 14 OF THE LISTING RULES” in the Corporate Governance Report of its 2008 Annual Report (“*2008 Annual Report*”), still holds. The Board will continue to review and recommend such steps and action as appropriate in the circumstances of such deviations. Since the 2008 Annual Report, Mr. Hui Ki On resigned as executive director and managing director (acting) of the Company on 6 January 2009. Dr. Che-woo Lui was appointed as managing director of the Company on 6 January 2009. Mr. Lam Kwong Yu retired as executive director and a member of the Executive Board of the Company at the conclusion of the annual general meeting on 3 June 2009. Professor Poon Chung Kwong and Dr. Moses Cheng Mo Chi were appointed, respectively, as independent non-executive director and as non-executive director of the Company, both effective on 1 August 2009.

AUDIT COMMITTEE

The Audit Committee of the Company has met on 10 September 2009 and reviewed the Company’s accounting principles and practices and discussed auditing, internal control and financial reporting matters. The Group’s unaudited interim results for the Period have been reviewed by the Audit Committee of the Company and by the Company’s independent auditor – PricewaterhouseCoopers.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Period, the Company redeemed all the outstanding principal of 0.5% guaranteed convertible bonds due 2009 (“*Bonds*”) of HK\$20 million at 91.49% of the principal amount per Bond on 23 March 2009, being the maturity date (“*Redemption*”). The total outstanding principal amount of the Bonds redeemed is HK\$20 million and the principal amount on Redemption (being HK\$20 million at 91.49%) is HK\$18,298,000. Together with accrued interest, the total amount paid by the Company on 23 March 2009 is HK\$18,347,580.

Save as disclosed above, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s securities during the Period.

CLOSURE OF REGISTERS OF MEMBERS

The registers of members will be closed from 5 October 2009 to 9 October 2009, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, shareholders must ensure that all duly completed transfers together with the relevant share certificates are lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 2 October 2009.

PUBLICATION OF FURTHER INFORMATION ON WEBSITE

This interim results announcement is published on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited (“*HKEx*”). The 2009 Interim Report containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the respective websites of the Company and the HKEx in late September 2009.

DIRECTORS

As at the date of this announcement, the Executive Directors are Dr. Che-woo Lui (Chairman & Managing Director), Mr. Francis Lui Yiu Tung and Ms. Paddy Tang Lui Wai Yu; the Non-executive Directors are Mr. Michael Leung Man Kin and Dr. Moses Cheng Mo Chi; and the Independent Non-executive Directors are Sir David Akers-Jones, Dr. The Hon. Leo Lee Tung Hai, Dr. Robin Chan Yau Hing, Mr. Robert George Nield, Dr. William Yip Shue Lam and Prof. Poon Chung Kwong.

By Order of the Board of
K. Wah International Holdings Limited
Cecilia Lee Wai Kwan
Company Secretary

Hong Kong, 17 September 2009

Principal Place of Business in Hong Kong:
29th Floor, K. Wah Centre
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North Point
Hong Kong

Website: <http://www.kwih.com>