

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 173)**

**DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES  
FINANCIAL ASSISTANCE  
AND GUARANTEES TO AFFILIATED COMPANIES**

The Company announces that the financial assistance and guarantees given by the Company for the loan facilities granted to affiliated companies of the Company and their respective wholly-owned subsidiaries, in aggregate exceeds 8% of the total assets of the Company. This announcement is made in accordance with the requirements under Rule 13.16 of the Listing Rules.

Reference is made to the announcement made by the Company dated 11 January 2010 pursuant to Chapter 14 of the Listing Rules (“*JV Announcement*”). Terms defined in the *JV Announcement* have the same meanings when used in this announcement, unless otherwise stated. The *JV Company* (being Vantage Plus Investments Limited) is an affiliated company of the Company. On 20 January 2010, King Regent (a wholly-owned subsidiary of the *JV Company*) executed the facility agreement and security documents in relation to the loan facilities for the total amount of HK\$4,275 million, under which the Company (on several and pro rata basis by reference to the respective interests in the *JV Company* held by Wealthy Vision and King Chance) has provided a corporate guarantee and entered into a funding agreement. Wealthy Vision (an indirect wholly-owned subsidiary of the Company) has entered into a subordination agreement with the lenders for the purpose of developing the Land. It is expected that King Regent will draw on the bank facilities on 25 January 2010.

As at the date of this announcement and in addition to the advances/financial assistance and guarantees to an entity and affiliated companies which the Company announced on 23 April 2008, the advances/financial assistance and guarantees given for loan facilities granted to respective wholly-owned subsidiaries of the affiliated companies of the Company named in the first column in the table below, in aggregate amounts to approximately HK\$6,831 million (representing approximately 39.5% of the total assets of the Company), details of which are as follows:

Name of affiliated companies	Company's % equity interest in the affiliated companies	Amount of loan facilities made available by lenders 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	Loan facilities amount utilized by affiliated companies/ respective borrowers	Final maturity date of the loan facilities
		HK\$ million	HK\$ million	HK\$ million		HK\$ million	
Full Raise International Limited/ Ace Glory Limited (as borrower)	25%	3,100	775	591	23 May 2007 (execution) 30 May 2007 (drawdown)	approximately 1,751	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	450	328	31 May 2007 (execution) 5 June 2007 (drawdown)	approximately 2,113	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	559	412	17 Dec 2007 (execution) 24 Dec 2007 (drawdown)	approximately 2,276	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
Homeast Limited/ Teamer International Limited (as borrower)	35%	4,655	1,629	1,052	23 Apr 2008 (execution) 28 Apr 2008 (drawdown)	approximately 3,020	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
Vantage Plus Investments Limited/King Regent Limited (as borrower)	15%	4,275	641	394	20 Jan 2010 (execution) 25 Jan 2010 (expected drawdown)	2,625 (50% land premium) and 1 (part of 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
<b>Total</b>			<b>4,054</b>	<b>2,777</b>		<b>11,786</b>	

All the above loan facilities:

1. are secured by (among others) respective guarantees and funding agreements for project cost overrun (with completion guarantee) by the Company (on a 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 a 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 and guarantees 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 & 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, 20 January 2010

Principal Place of Business in Hong Kong  
29<sup>th</sup> Floor  
K. Wah Centre  
191 Java Road  
North Point  
Hong Kong

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