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

The Company announces that on 31 March 2010, the Company, together with Chuang's, entered into an agreement to guarantee, on a several basis and in proportion to their respective shareholdings in the JV Company, the Facility made available to the JV Company as borrower.

The financial assistance and guarantees given by the Company for the loan facilities granted to affiliated companies (including the JV Company) 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.

The Company announces that on 31 March 2010, the Company, together with Chuang's Consortium International Limited ("**Chuang's**") (a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") with stock code 367) entered into an agreement to guarantee, on a several basis and in proportion to their respective shareholdings in Ample Excellent Limited ("**JV Company**") (an affiliated company of which the Group is interested in 50%), a secured term loan facility for the total amount of HK\$234 million ("**Facility**") made available to the JV Company as borrower.

The JV Company was incorporated in Hong Kong with limited liability and was established for the principal purpose of acquiring and re-developing the property located at No.30 Po Shan Road, Hong Kong ("**Property**"). Building plans have been approved for the redevelopment of the Property for residential purposes, with a total gross floor area of about 36,000 square feet. The consideration for the acquisition of the Property by the JV Company was HK\$325 million. The JV Company is owned as to 50% by a wholly-owned subsidiary of Chuang's and as to 50% by Winway Global Development Limited ("**Winway**") (a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company). The Company's commitment for the formation of the JV Company amounted to HK\$162.5 million which was less than 5% of any applicable percentage ratios calculated under Chapter 14 of the Rules Governing the Listing of Securities ("**Listing Rules**") on the Stock Exchange at the time of formation of the JV Company.

The JV Company executed a facility agreement on 19 March 2010 and all the security documents on 31 March 2010 in relation to the Facility under which the Company (on a several and pro rata

basis by reference to the respective interests in the JV Company held by Winway and the wholly-owned subsidiary of Chuang's) has provided a corporate guarantee and entered into an agreement to guarantee on 31 March 2010. Winway has entered into a subordination agreement with the lender for the purpose of developing the Property.

As at the date of this announcement and including the financial assistance and guarantees to affiliated companies which the Company announced on 20 January 2010, the financial assistance to and guarantees given for loan facilities granted to the 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\$7,046 million (representing approximately 40.78% 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	614	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	332	31 May 2007 (execution) 5 June 2007 (drawdown)	approximately 2,124	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	421	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	1,057	23 Apr 2008 (execution) 28 Apr 2008 (drawdown)	approximately 3,031	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	399	20 Jan 2010 (execution) 25 Jan 2010 (drawdown)	approximately 2,626	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

Ample Excellent Limited (as borrower)	50%	234	117	52	19 Mar 2010 (execution) 31 Mar 2010 (drawdown)	234	48 months from the date of drawdown
Total		4,171	2,875			12,042	

All the above loan facilities:

1. are secured by (among others) respective guarantees and/or 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 Professor Poon Chung Kwong.

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

Hong Kong, 31 March 2010

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