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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.

The English text of this circular shall prevail the Chinese text in case of any inconsistency.



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, 30 May 2012 at 11:30 a.m. is set out on pages 16 to 20 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.

24 April 2012

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DEFINITIONS

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

“2012 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, 30 May 2012 at 11:30 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
“Company’s Branch Share Registrar”	the Company’s branch share registrar in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“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”	17 April 2012, 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)”	ordinary 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 20 June 2011
“Share Repurchase Code”	the Hong Kong Code on Share Repurchases
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“substantial shareholder”	has the meaning ascribed to the expression under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“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, BBS, JP

Mr. Alexander Lui Yiu Wah

Non-executive Directors:

Dr. Moses Cheng Mo Chi, GBS, OBE, JP

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

Dr. William Yip Shue Lam*, LLD

Professor Poon Chung Kwong*, GBS, PhD, DSc, JP

Mr. Au Man Chu*

Mr. Wong Kwai Lam*

* *Independent non-executive Directors*

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

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

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

24 April 2012

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 2012 AGM, and the information regarding the resolutions to be proposed at the 2012 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.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 109(A) of the Bye-laws, Ms. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah and Dr. William Yip Shue Lam will retire by rotation at the 2012 AGM, and being eligible, will offer themselves for re-election. In accordance with Bye-law 100 of the Bye-laws, Mr. Au Man Chu and Mr. Wong Kwai Lam will hold office until the 2012 AGM, and being eligible, will offer themselves for re-election.

Biographical details of the Directors proposed to be re-elected at the 2012 AGM are set out in Appendix I to this circular.

Each of Dr. William Yip Shue Lam, Mr. Au Man Chu and Mr. Wong Kwai 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 Dr. William Yip Shue Lam, Mr. Au Man Chu and Mr. Wong Kwai 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.

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 2012 AGM must lodge with the Company's registered office or the Company's Branch Share Registrar at least seven (7) days before the date of the 2012 AGM: (i) a written notice of nomination of candidate duly signed by the shareholder who is qualified to attend and vote at the general meeting; (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 a valid nomination and/or information is received less than ten business days prior to the date of the 2012 AGM, the Company will need to consider the adjournment of the 2012 AGM in order to allow Shareholders have 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 20 June 2011, 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 2012 AGM.

The Directors consider that granting of 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 2012 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 2012 AGM appearing on pages 16 to 20 of this circular.

With respect to 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 2012 AGM is set out in Appendix II to this circular.

With respect to 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 2012 AGM, the maximum number of Shares which may be issued and allotted by the Company pursuant to the Share Issue Mandate is 515,380,429 Shares, based on 2,576,902,149 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 2012 AGM.

ANNUAL GENERAL MEETING

A notice convening the 2012 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, 30 May 2012 at 11:30 a.m. is set out on pages 16 to 20 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 2012 AGM will therefore demand a poll on each of the resolutions to be proposed at the 2012 AGM pursuant to Bye-law 78 of the Bye-laws.

Proxy form for use at the 2012 AGM is enclosed with this circular. Whether or not you are able to attend the 2012 AGM, you are reminded 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 2012 AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the 2012 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 2012 AGM to inform Shareholders of the voting results of the 2012 AGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the re-election of Directors, the Repurchase Mandate and the Share Issue Mandate are in the interests of the Company and the Shareholders, and accordingly, the Board recommends the Shareholders to vote in favour of all those resolutions to be proposed at the 2012 AGM.

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 2012 AGM are set out below.

Ms. Paddy Tang Lui Wai Yu (“Ms. Paddy Lui”), *BBS, JP*, (executive Director) aged 58, joined the K. Wah group in 1980 and has been an executive Director since June 1989. She holds a bachelor of commerce degree from McGill University, Canada and is a member of The Institute of Chartered Accountants in England and Wales. Ms. Paddy Lui was appointed as a non-executive director of the Mandatory Provident Fund Schemes Authority on 17 March 2011. She is also a member of various public and social service organizations, including the General Committee of The Chamber of Hong Kong Listed Companies. Ms. Paddy Lui was appointed as a member of the Standing Committee on Company Law Reform, the Tourism Strategy Group, the Statistic Advisory Board, the Hong Kong Arts Development Council and the Board of Ocean Park Corporation. Ms. Paddy Lui has been elected as a member of the Election Committee of the HKSAR since 1998. She is also an executive director of Galaxy Entertainment Group Limited. In addition, she is a director of a number of subsidiaries and affiliated companies of the Group.

Save as disclosed herein and apart from being an executive Director of the Company, Ms. Paddy Lui did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and she does not hold any other positions with the Company or any of its subsidiaries.

Ms. Paddy Lui is the daughter of Dr. Che-woo Lui, Chairman & Managing Director and controlling shareholder of the Company, and the elder sister of Mr. Francis Lui Yiu Tung and Mr. Alexander Lui Yiu Wah, both of them are executive Directors of the Company. Ms. Paddy Lui is one of the beneficiaries of a discretionary family trust, established by Dr. Che-woo Lui as founder, which is a controlling shareholder of the Company.

Save as disclosed herein and except for the relationship arising from her directorship in the Company, Ms. Paddy Lui does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Ms. Paddy Lui’s service contract does not provide for a specified length of service with the Company. The term of her service as an executive Director is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws and the corporate governance practices of the Company. Her emoluments comprise an annual salary (including allowances), an annual director’s fee (which will be proposed by the Board for approval by the Shareholders at the subsequent year’s annual general meeting) and discretionary share options. Ms. Paddy Lui has received an emolument of HK\$5,494,167 including annual salary, allowances and benefits in kind, discretionary bonus, pension scheme contribution and share options for the year ended 31 December 2011. An annual director’s fee of HK\$140,000 will be payable to Ms. Paddy Lui for the year ended 31 December 2011 upon approval by the Shareholders at the 2012 AGM. The director’s fee (including Ms. Paddy Lui) for the year ending 31 December 2012 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2013. Her emoluments are determined by reference to her duties and responsibilities with the Company, the Company’s performance and profitability, the Company’s remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Ms. Paddy Lui has interests in 1,541,546,106 Shares (including deemed interests) and 7,231,400 share options of the Company. Save as disclosed herein, Ms. Paddy Lui has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Ms. Paddy Lui which is discloseable nor is she involved in any of the matters which falls 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.

Mr. Alexander Lui Yiu Wah (“Mr. Alexander Lui ”), (executive Director) aged 49, joined the K. Wah group in 1984 and is presently the Managing Director of Hong Kong Properties of the Group. He has been an executive Director since April 2010. He holds a bachelor of science degree in Industrial and Systems Engineering from the University of Southern California, USA. He was a committee member of Guangzhou Committee of the 11th Chinese People’s Political Consultative Conference. He has been again elected as a committee member of Guangzhou Committee of the 12th Chinese People’s Political Consultative Conference in 2011. He was also elected as a committee member of Jiangman City Xinhui District Committee of the 13th Chinese People’s Political Consultative Conference in 2006. Mr. Alexander Lui is a member of Estate Agents Authority (EAA) and also the vice president of The Hong Kong Real Estate Association Limited. He has been a member of the board of directors of The Real Estate Developers Association of Hong Kong since 1999. Mr. Alexander Lui has been appointed as a Director of Business & Professionals Federation of Hong Kong since 27 September 2002 and has become a member of the executive committee since 2003. He was a member of The Appeal Panel on Housing, Hong Kong during the period from 1 July 2002 to 31 March 2008. In addition, he is a director of a number of subsidiaries and affiliated companies of the Group.

Save as disclosed herein and apart from being an executive Director of the Company, Mr. Alexander Lui did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

Mr. Alexander Lui is the son of Dr. Che-woo Lui, Chairman & Managing Director and controlling shareholder of the Company, and the younger brother of Mr. Francis Lui Yiu Tung and Ms. Paddy Tang Lui Wai Yu, both of them are executive Directors of the Company. Mr. Alexander Lui is one of the beneficiaries of a discretionary family trust, established by Dr. Che-woo Lui as founder, which is a controlling shareholder of the Company.

Save as disclosed herein and except for the relationship arising from his directorship in the Company, Mr. Alexander Lui does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Alexander Lui’s service contract does not provide for a specified length of service with the Company. The term of his service as an executive Director is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual salary (including allowances), an annual director’s fee (which will be proposed by the Board for approval by the Shareholders at the subsequent year’s annual general meeting) and discretionary share options. Mr. Alexander Lui has received an emolument of HK\$7,971,327 including annual salary, allowances and benefits in kind, discretionary bonus, pension scheme contribution and share options for the year ended 31 December 2011. An annual director’s fee of HK\$140,000 will be payable to Mr. Alexander Lui for the year ended 31 December 2011 upon approval by the Shareholders at the 2012 AGM. The director’s fee (including Mr. Alexander Lui) for the year ending 31

December 2012 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2013. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Mr. Alexander Lui has interests in 1,537,440,174 Shares (including deemed interests) and 7,448,000 share options of the Company. Save as disclosed herein, Mr. Alexander Lui has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Mr. Alexander Lui which is discloseable nor is he involved in any of the matters which falls 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 ("Dr. William Yip"), *LLD*, (independent non-executive Director) aged 74, has been an independent non-executive Director and the chairman of audit committee since June 2008 as well as the chairman of the remuneration committee and a member of the nomination committee (both appointed on 22 March 2012) of the Company. 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. William Yip is also the Chairman of Cantravel Limited, Guangzhou. He 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 University 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. William Yip has been elected a Guangzhou Municipal Honorable Citizen. He is also an independent non-executive director of Galaxy Entertainment Group Limited.

Save as disclosed herein and apart from being an independent non-executive Director of the Company, Dr. William Yip did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

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

Dr. William Yip has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. The term of his service as an independent non-executive Director is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual director's fee, audit committee chairman's/member's fee and remuneration committee member's fee (all of which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting) and discretionary share options. Dr. William Yip has received these director fees of HK\$300,000 for the year ended 31 December 2010. An annual director's fee of HK\$140,000, an annual fee of HK\$130,000 for acting as the chairman of the audit committee and an annual fee of HK\$50,000 for acting as a member of the remuneration committee will be payable to Dr. William Yip for the year ended 31 December 2011 upon approval by the Shareholders at the 2012 AGM. All these director's fees and an annual fee for acting as a

member of the nomination committee (including Dr. William Yip) for the year ending 31 December 2012 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2013. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Dr. William Yip has interest in 200,000 share options of the Company. Save as disclosed herein, Dr. William Yip has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Dr. William Yip which is discloseable nor is he involved in any of the matters which falls 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.

Mr. Au Man Chu ("Mr. Au"), (independent non-executive Director) aged 61, has been an independent non-executive director and a member of the audit committee of the Company since August 2011. Mr. Au holds a Bachelor of Commerce degree from the University of Alberta in Canada and is a member of The Canadian Institute of Chartered Accountants. He was an executive director of Noble Group Limited (a company listed in Singapore) from 1 December 1995 to 31 December 2003 and he has been re-designated as one of its non-executive directors since 1 January 2004.

Save as disclosed herein and apart from being an independent non-executive Director of the Company, Mr. Au did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

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

Mr. Au has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. The term of his service as an independent non-executive Director is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual director's fee and audit committee member's fee (which will be proposed by the Board for approval by the Shareholders at the subsequent year's annual general meeting) and discretionary share options. An annual director's fee of HK\$49,480 and an annual fee of HK\$38,877 for acting as a member of the audit committee (on a pro-rata basis by reference to the actual number of days in office in the relevant financial year) for the year ended 31 December 2011 will be payable to Mr. Au upon approval by the Shareholders at the 2012 AGM. All these director's fees (including Mr. Au) for the year ending 31 December 2012 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2013. His emoluments are determined by reference to his duties and responsibilities with the Company, the Company's performance and profitability, the Company's remuneration policy and the market pay-level for same position.

As at the Latest Practicable Date, Mr. Au has interest in 200,000 share options of the Company. Save as disclosed herein, Mr. Au has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Mr. Au which is discloseable nor is he involved in any of the matters which falls 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.

Mr. Wong Kwai Lam (“Mr. Wong”), (independent non-executive director) aged 62, has been an independent non-executive director and a member of the remuneration committee of the Company since August 2011 as well as a member of the nomination committee (appointed on 22 March 2012) of the Company. Mr. Wong obtained a degree of Bachelor of Arts from the Chinese University of Hong Kong in 1972 and a Ph. D from Leicester University, England in 1977. He has over 32 years of experience in the commercial and investment banking industry. He worked with Merrill Lynch (Asia Pacific) Ltd. (“Merrill Lynch”) from May 1993 to August 2009 where he served as a managing director in the Asia investment banking division since January 1995. Mr. Wong was appointed as a senior client advisor to Merrill Lynch in September 2009 and served in that position for one year. In his 17 years of experience in various senior positions with Merrill Lynch, Mr. Wong’s responsibilities included, among others, managing the overall business of its Asia investment banking division from March 2003 to May 2005. Prior to joining Merrill Lynch, Mr. Wong had been a director in the investment banking division of CS First Boston (Hong Kong) Ltd. and a director and the head of primary market in Standard Chartered Asia Limited. Mr. Wong is currently the chairman of IncitAdv Consultants Ltd. and a director of Opera Hong Kong Limited. Mr. Wong has been appointed as a member of the investment committee and the Board of Trustees as well as a trustee of New Asia College of the Chinese University of Hong Kong. Mr. Wong is an independent non-executive director and a member of the remuneration and appraisal as well as related-party transaction control committee of China Merchants Bank Co., Ltd. (a publicly-listed company on the Main Board of the Stock Exchange and The Shanghai Stock Exchange). Mr. Wong is also an independent non-executive director and a member of the audit committee of ARA Asset Management (Prosperity) Limited as the manager of Prosperity Real Estate Investment Trust (a publicly-listed company on the Main Board of the Stock Exchange). He was formerly a member of the Advisory Committee to the Securities and Futures Commission in Hong Kong, a member of the Real Estate Investment Trust (REIT) Committee of the Securities and Futures Commission in Hong Kong and a member of the China Committee to the Hong Kong Trade Development Council.

Save as disclosed herein and apart from being an independent non-executive Director of the Company, Mr. Wong did not hold any directorship in the past three years preceding the Latest Practicable Date in any public companies the securities of which are listed on any securities markets in Hong Kong and overseas or any major appointments and professional qualifications and he does not hold any other positions with the Company or any of its subsidiaries.

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

Mr. Wong has entered into a service contract with the Company pursuant to which his appointment is for a fixed term of 3 years. The term of his service as an independent non-executive Director is subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws and the corporate governance practices of the Company. His emoluments comprise an annual director’s fee and remuneration committee member’s fee (which will be proposed by the Board for approval by the Shareholders at the subsequent year’s annual general meeting) and discretionary share options. An annual

director's fee of HK\$49,096 and an annual fee of HK\$17,534 for acting as a member of the remuneration committee (on pro-rata basis by reference to the actual number of days in office in the relevant financial year) for the year ended 31 December 2011 will be payable to Mr. Wong upon approval by the Shareholders at the 2012 AGM. All these director's fees and an annual fee for acting as a member of the nomination committee (including Mr. Wong) for the year ending 31 December 2012 will be proposed by the Board for approval by the Shareholders at the annual general meeting of the Company in 2013. His emoluments are determined by reference to his duties and responsibilities with 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, Mr. Wong has interests in 200,000 Shares and 200,000 share options of the Company. Save as disclosed herein, Mr. Wong has no interest in the Shares within the meaning of Part XV of the SFO.

There is no other information relating to Mr. Wong which is discloseable nor is he involved in any of the matters which falls 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 2012 AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$257,690,214.90 comprising 2,576,902,149 fully paid Shares, and there were also outstanding share options in respect of 41,201,650 Shares.

Subject to the passing of the ordinary resolution no. 5.1 set out in the notice of 2012 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 2012 AGM, the Company would be allowed to repurchase a maximum of 257,690,214 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 2011, 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 Repurchases Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meanings of the Takeovers Code), 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, 1,552,184,133 Shares, representing approximately 60.23% of the issued share capital of the Company, were held by a discretionary family trust established by Dr. Che-woo Lui as founder. Dr. Che-woo Lui, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah, as either direct or indirect beneficiaries of the discretionary family trust, are deemed to be interested in those Shares held by the trust. Besides, apart from the shareholding interest disclosed hereinabove, these four Directors had an aggregate equity interest (including family interests and corporate interests) in 40,948,119 Shares representing 1.56% of the issued share capital of the Company.

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, Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu and Mr. Alexander Lui Yiu Wah and their associates in the Company will increase to approximately 67.7% of the issued share capital of the Company and the Shares held by the public will not fall below 25% of the total number of Shares in issue. 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 will result in an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

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\$
2011		
April	3.30	3.05
May	3.16	2.95
June	3.18	2.63
July	2.96	2.63
August	2.79	2.16
September	2.46	1.53
October	2.28	1.31
November	2.21	1.84
December	2.06	1.90
2012		
January	2.23	1.94
February	2.89	2.16
March	3.01	2.62
April (up to the Latest Practicable Date)	2.90	2.77

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, 30 May 2012 at 11:30 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 2011 of the Company.
2. To declare a final dividend for the year ended 31 December 2011.
3. To elect directors and fix the directors’ remuneration.
4. To re-appoint auditor and to 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 under 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 recognized 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
K. Wah International Holdings Limited
Lee Wai Kwan, Cecilia
Company Secretary

Hong Kong, 24 April 2012

NOTICE OF ANNUAL GENERAL MEETING

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 need 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) The registers of members of the Company will be closed from 25 May 2012 to 30 May 2012, (both dates inclusive) during which period no share transfer will be registered. In order to qualify for attending and voting at the AGM, 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 ("**Company's Branch Share Registrar**") not later than 4:30 p.m. on 24 May 2012 for registration.
- (v) With regard to agenda item 2 above, the board of directors of the Company ("**Board**") has recommended a final scrip dividend (with cash option) of 8 HK cents per share. The registers of members will be closed from 6 June 2012 to 8 June 2012 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all shares transfers documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars for registration not later than 4:30 p.m. on 5 June 2012.
- (vi) With regard to agenda item 3 above, Ms. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah, Dr. William Yip Shue Lam, Mr. Au Man Chu and Mr. Wong Kwai Lam will retire and stand for re-election at the AGM. Their biographical details are set out in Appendix I to the circular dated 24 April 2012 issued by the Company to shareholders. The Board recommends the re-election of all the 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 the year ended 31 December 2011, 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 2011
(and for subsequent financial years
until otherwise determined)**

	Chairman	Member
	<i>HK\$</i>	<i>HK\$</i>
The Board	170,000	140,000
Audit Committee	130,000	110,000
Remuneration Committee	60,000	50,000

NOTICE OF ANNUAL GENERAL MEETING

- (viii) With regard to agenda item 4 above regarding the authorization for the Directors to fix auditor's remuneration, shareholders are advised that, in practice, auditor's remuneration for the year ending 31 December 2012 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 2012, shareholders' approval to delegate the authority to the Directors to fix the auditor's remuneration is required, and is hereby sought, at the AGM.

- (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 24 April 2012 issued by the Company to shareholders.