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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)



K. WAH CONSTRUCTION MATERIALS LIMITED

嘉華建材有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 27)

**POSSIBLE ACQUISITION OF 88.1% OF THE VOTING SHARES CARRYING 97.9% OF
THE ECONOMIC INTEREST IN
GALAXY CASINO, S.A.**

**CONNECTED TRANSACTION AND VERY SUBSTANTIAL ACQUISITION FOR,
AND CHANGE OF NAME OF
K. WAH CONSTRUCTION MATERIALS LIMITED**

AND

**CONNECTED TRANSACTION, DEEMED VERY SUBSTANTIAL DISPOSAL
AND VERY SUBSTANTIAL ACQUISITION FOR
K. WAH INTERNATIONAL HOLDINGS LIMITED**

KWIH BONDHOLDER APPROVAL

AND

**EXTENSION OF DEADLINES FOR POSTING OF CIRCULAR
AND FOR SATISFACTION OF CONDITIONS**

Holders of the KWIH Bonds have assented to the modification of the Terms and Conditions of the KWIH Bonds as a result of which Completion is no longer conditional on holders of the KWIH Bonds having passed an appropriate resolution. Other conditions have not yet been satisfied.

KWIH and KWCM have applied to the Stock Exchange for an extension of the deadline for despatching the Circular to not later than 30 June, 2005 and the deadline for satisfaction of the conditions of the Acquisition Agreement has been extended to 31 July, 2005.

It is the intention of KWIH and KWCM that their Circular will be posted to their respective shareholders by 30 June, 2005 at the very latest.

Completion is subject to satisfaction of conditions precedent which may or may not be satisfied, and the Acquisition may or may not proceed. KWIH Shareholders, KWCM Shareholders and potential investors should exercise caution in dealing in the shares of KWIH and KWCM.

On 18 April, 2005, K. Wah International Holdings Limited (“KWIH”) and K. Wah Construction Materials Limited (“KWCM”) made a press announcement (the “Announcement”) regarding, inter alia, the possible acquisition by KWCM of the Galaxy Equity Interest. Unless otherwise defined, capitalised terms used herein have the meanings ascribed to them in the Announcement.

KWIH BONDHOLDER RESOLUTION

Holders of the KWIH Bonds have today passed a resolution, to the satisfaction of KWCM, amongst other things, assenting to the modification of the Terms and Conditions of the KWIH Bonds by deleting Condition 11 paragraph (xi) (“Share Ownership”) of the Conditions of the KWIH Bonds in its entirety and sanctioning every abrogation, modification, compromise or arrangement in respect of the rights of the holders of the KWIH Bonds against the issuer of the KWIH Bonds and/or KWIH involved in or resulting from that modification. Accordingly, Completion is no longer conditional on holders of the KWIH Bonds having duly passed an appropriate resolution waiving, or otherwise relaxing, compliance with condition 11(xi) of the KWIH Bonds to the satisfaction of KWCM. Other conditions have not yet been satisfied.

EXTENSION OF DEADLINE FOR CIRCULAR

Pursuant to Rules 14.38, 14.48 and 14A.49 of the Listing Rules, a circular (the “Circular”) containing, among other things, details of the possible acquisition by KWCM of the Galaxy Equity Interest, is required to be despatched by KWIH and KWCM to their respective shareholders within 21 days after the publication of the Announcement.

On 6 May, 2005, KWIH and KWCM announced a delay in the publication of the Circular. KWIH and KWCM have applied to the Stock Exchange for a further extension of the deadline for despatching the Circular to not later than 30 June, 2005. The reason for the application was that additional time is required to finalise the information to be included in the Circular.

AMENDED ACQUISITION AGREEMENT

The Acquisition Agreement has been further amended by an agreement dated 31 May, 2005 so that the deadline for satisfaction of the conditions of the Acquisition Agreement has also been extended to 31 July, 2005. The Macau government has confirmed that transfer of the Galaxy Equity Interest may take place on or before 30 September, 2005.

The intention of all parties is that the Acquisition Agreement will be completed as soon as possible. The extension to 31 July, 2005 was arranged as a precaution in case that proves to be impossible.

It is the intention of KWIH and KWCM that their Circular will be posted to their respective shareholders by 30 June, 2005 at the very latest.

CAUTION

Completion is subject to satisfaction of conditions precedent which may or may not be satisfied, and the Acquisition may or may not proceed. KWIH Shareholders, KWCM Shareholders and potential investors should exercise caution in dealing in the shares of KWIH and KWCM.

Further announcements will be made as and when appropriate.

DIRECTORS

At the date of this announcement, the executive directors of KWIH are Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mr. Lennon Lun Tsan Kau, Mr. Eddie Hui Ki On, Mr. William Lo Chi Chung and Ms. Paddy Tang Lui Wai Yu, the non-executive directors are Mr. Michael Leung Man Kin and Dr. Philip Wong Kin Hang, and the independent non-executive directors are Sir David Akers-Jones, Dr. Leo Lee Tung Hai, Dr. Robin Chan Yau Hing, Dr. Charles Cheung Wai Bun and Mr. Robert George Nield.

At the date of this announcement, the executive directors of KWCM are Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mr. Chan Kai Nang, Mr. William Lo Chi Chung, Ms. Paddy Tang Lui Wai Yu and Mr. Joseph Chee Ying Keung, the non-executive director is Mr. Moses Cheng Mo Chi, and the independent non-executive directors are Dr. Charles Cheung Wai Bun, Mr. James Ross Ancell and Dr. William Yip Shue Lam.

By Order of the Board of
K. Wah International Holdings Limited
Seaman KWOK Siu Man
Company Secretary

By Order of the Board of
K. Wah Construction Materials Limited
Kitty CHAN Lai Kit
Company Secretary

Hong Kong, 31 May, 2005

* *For identification only.*

*Please also refer to the published version of this announcement in the (**The Standard**)*