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**K. WAH INTERNATIONAL HOLDINGS LIMITED** **K. WAH CONSTRUCTION MATERIALS LIMITED**

**嘉華國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 173)**



**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 K. WAH CONSTRUCTION MATERIALS LIMITED**

**AND**

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

**DESPATCH OF CIRCULAR AND NOTICES OF GENERAL MEETINGS**

The Circular was despatched on 30 June 2005 and the KWIH SGM and KWCM EGM are convened to be held on 19 July 2005. KWCM had previously announced a planned change of name. That plan will not be proceeded at the KWCM EGM but is still part of KWCM's strategic planning for Galaxy and will be dealt with as and when appropriate.

The KWCM Directors and the KWIH Directors refer to the joint announcement of KWCM and KWIH dated 18 April 2005. Terms defined in it are used in this announcement.

A circular of KWIH and KWCM containing, amongst other things, further particulars of the Acquisition and Galaxy, the recommendations of the KWIH Independent Board Committee, a letter of advice from Anglo Chinese, independent financial adviser to the KWIH Independent Board Committee and the KWIH Independent Shareholders, the recommendations of the KWCM Independent Board Committee, a letter of advice from Commerzbank, independent financial adviser to the KWCM Independent Board Committee and the KWCM Independent Shareholders, an accountants' report on Galaxy, property valuation reports relating to the property interests of Galaxy, the KWCM Group and the Remaining KWIH Group and notices convening the KWCM EGM and the KWIH SGM has been sent to the KWCM Shareholders and the KWIH Shareholders on 30 June 2005.

### **Planned Change Of Name**

KWCM had previously announced a planned change of name. That plan will not be proceeded at the KWCM EGM but is still part of KWCM's strategic planning for Galaxy and will be dealt with as and when appropriate. Further announcements will be made by KWCM on this subject if and when appropriate.

## Notice of KWIH SGM

The Circular contains a Notice of the KWIH SGM, which is reproduced below:

·**NOTICE IS HEREBY GIVEN** that a special general meeting of K. Wah International Holdings Limited will be held at Island Shangri-La Hong Kong, Level 39, Atrium Room, Two Pacific Place, Supreme Court Road, Central, Hong Kong at 3:00 p.m. on Tuesday, 19 July 2005 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed with or without amendment as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT** the agreement (the “Agreement”) relating to the sale and purchase of shares in Galaxy Casino, S.A. dated 14 March 2005 between City Lion Profits Corp., Netfinity Assets Corporation, Brightwealth Investments Limited, Recurrent Profits Limited, Future Leader Management Limited, Hugo Legend Asia Corporation Limited, Canton Treasure Group Ltd. and the Company’s subsidiary K. Wah Construction Materials Limited as amended by agreements supplemental thereto dated 1 April 2005 and 31 May 2005 (copies of which have been produced to this meeting marked “A1”, “A2” and “A3” respectively and initialled by the chairman of the meeting for identification) be and is hereby approved, and the issue of the Consideration Shares by K. Wah Construction Materials Limited under the Agreement be and is hereby approved, both as an acquisition and as a deemed disposal by the Company for the purposes of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited and that the directors of the Company be and are hereby authorised to do all such acts and things and execute all such documents as they shall in their absolute discretion consider necessary or desirable to give effect to and in connection with the Agreement and the arrangements contemplated thereunder.”

By Order of the Board  
**K. Wah International Holdings Limited**  
**Seaman Kwok Siu Man**  
*Secretary*

Hong Kong  
Dated 30 June 2005

*Registered office:*  
Canon’s Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Principal place of business  
in Hong Kong:*  
29th Floor  
K. Wah Centre  
191 Java Road  
North Point  
Hong Kong

### Notes:

1. A **WHITE** form of proxy to be used for the meeting is enclosed. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy will be deemed to be revoked.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him. On a poll, votes may be given personally, by duly authorised corporate representative or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.

3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the principal place of business in Hong Kong of the Company at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting and in default the instrument of proxy shall not be treated as valid.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, 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 any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
6. The resolution will be voted on by way of poll.
7. At the date of this notice, the executive directors of the Company are Dr. Lui Che Woo, *MBE, JP, LLD, DSSc* (Chairman), Mr. Francis Lui Yiu Tung (Managing Director), Mr. Lennon Lun Tsan Kau (Deputy Managing Director), Mr. Eddie Hui Ki On, *GBS, CBE, QPM, CPM*, Mr. William Lo Chi Chung and Ms. Paddy Tang Lui Wai Yu, the non-executive directors are Mr. Michael Leung Man Kin, *CBE, JP* and Dr. Philip Wong Kin Hang, *GBS, JP, LLD, DH* and the independent non-executive directors are Sir David Akers-Jones, *KBE, GBM, CMG, Hon. RICS, JP*, Dr. Leo Lee Tung Hai, *GBS, LLD, JP*, Dr. Robin Chan Yau Hing, *GBS, LLD, JP*, Dr. Charles Cheung Wai Bun, *JP* and Mr. Robert George Nield.’

## **Notice of KWCM EGM**

The Circular contains a Notice of the KWCM EGM, which is reproduced below:

‘**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of K. Wah Construction Materials Limited will be held at Island Shangri-La Hong Kong, Level 39, Atrium Room, Two Pacific Place, Supreme Court Road, Central, Hong Kong at 2:00 p.m. on Tuesday, 19 July 2005 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution with or without amendment:

### **ORDINARY RESOLUTION**

“**THAT:**

- (A) the authorised share capital of the Company be increased from HK\$388,800,000 to HK\$688,800,000 by the creation of an additional 3,000,000,000 shares of HK\$0.10 each, which new shares shall rank *pari passu* in all respects with the existing shares in the capital of the Company;
- (B) the agreement (the “Agreement”) relating to the sale and purchase of shares in Galaxy Casino, S.A. dated 14 March 2005 between City Lion Profits Corp., Netfinity Assets Corporation, Brightwealth Investments Limited, Recurrent Profits Limited, Future Leader Management Limited, Hugo Legend Asia Corporation Limited, Canton Treasure Group Ltd. and the Company as amended by agreements supplemental thereto dated 1 April 2005 and 31 May 2005 (copies of which have been produced to this meeting marked “A1”, “A2” and “A3” respectively and initialled by the chairman of the meeting for identification) be and is hereby approved, ratified and confirmed and that the directors of the Company be and are hereby authorised to implement all the transactions referred to in the Agreement and to do all such acts and things and execute all such documents as they shall in their absolute discretion consider necessary or desirable to give effect to the Agreement and the arrangements

contemplated thereunder including but not limited to the issue of the Consideration Shares in part satisfaction of the Purchase Price referred to in the Agreement payable by the Company thereunder.”

By Order of the Board  
**K. Wah Construction Materials Limited**  
**Kitty Chan Lai Kit**  
*Secretary*

Dated 30 June 2005

*Registered Office:*

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

**Notes:**

1. A **BLUE** form of proxy to be used for the meeting is enclosed. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy will be deemed to be revoked.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and (on a poll) vote on his behalf. On a poll votes may be given either personally, by duly authorised corporate representative or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
3. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the Company at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong not less than 48 hours before the time for holding the meeting and in default the instrument of proxy shall not be treated as valid.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, 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 any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.
6. The resolution will be voted on by way of poll.
7. At the date of this notice, the executive directors of the Company are Dr. Lui Che Woo, Mr. Francis Lui Yiu Tung, Mr. Chan Kai Nang, Mr. Joseph Chee Ying Keung, Mr. William Lo Chi Chung and Ms. Paddy Tang Lui Wai Yu. 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.’

As Completion is subject to the fulfilment of a number of conditions precedent, the Acquisition may or may not proceed. Shareholders and potential investors of KWCM should exercise caution when dealing in the KWCM Shares and shareholders and potential investors of KWIH should exercise caution when dealing in the KWIH Shares.

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 Lui Wai Yu; the non-executive directors of KWIH are Mr. Michael Leung Man Kin and Dr. Philip Wong Kin Hang, and the independent non-executive directors of KWIH 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. Joseph Chee Ying Keung, Mr. William Lo Chi Chung and Ms. Paddy Lui Wai Yu; the non-executive director of KWCM is Mr. Moses Cheng Mo Chi and the independent non-executive directors of KWCM 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, 30 June 2005

\* *For identification only*

*Please also refer to the published version of this announcement in the (South China Morning Post/The Standard)*