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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**

RESULTS OF KWCM EGM AND KWIH SGM

AND

SATISFACTION OF OTHER CONDITIONS

The KWIH Independent Shareholders have by resolution today approved the Acquisition and related transactions including the issue of the Consideration KWCM Shares and the deemed disposal of KWCM. The KWCM Independent Shareholders have by resolution today approved the increase in authorised share capital of KWCM, the Acquisition and related transactions including the issue of the Consideration KWCM Shares. All conditions have now been satisfied. Completion of the Acquisition is expected to take place on 22 July, 2005.

On 30 June, 2005, K. Wah International Holdings Limited (“KWIH”) and K. Wah Construction Materials Limited (“KWCM”) published a circular 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 that circular.

The KWIH Independent Shareholders have by resolution today approved the Acquisition and related transactions including the issue of the Consideration KWCM Shares and the deemed disposal of KWCM. The KWCM Independent Shareholders have by resolution today approved the increase in authorised share capital of KWCM, the Acquisition and related transactions including the issue of the Consideration KWCM Shares. All conditions have now been satisfied.

KWCM EGM

The poll results in respect of the resolution proposed at the KWCM EGM held on 19 July, 2005 are as follows:

Ordinary Resolution	Number of Votes (Approximate %)	
	For	Against
(a) to increase authorised capital; and (b) to approve the Acquisition Agreement and its implementation including the issue of the Consideration KWCM Shares	217,955,661 (100%)	0 (0%)
The resolution was duly passed as an ordinary resolution.		

At the date of the KWCM EGM, the issued share capital of KWCM was 1,445,293,563 KWCM Shares. The total number of shares entitling the holders to attend and vote for or against the resolution proposed at the KWCM EGM were 499,973,258 KWCM Shares. None of the shares entitled the holder to attend and vote only against the resolution at the KWCM EGM.

KWIH, the Trusts, the Family Companies, the Lui Family, Dr. Lui, Francis Lui, Lawrence Lui, the Minority Vendors and their respective ultimate beneficial owners and associates together control or are entitled to exercise control of 945,320,305 KWCM Shares, representing approximately 65.4% of the voting rights in KWCM and were required to and did abstain from voting at the KWCM EGM on the resolution. There were no other restrictions on any shareholders to cast votes on the resolution.

Computershare Hong Kong Investor Services Limited, the Share Registrars of KWCM, acted as scrutineers for the poll at the KWCM EGM.

KWIH SGM

The poll results in respect of the resolution proposed at the KWIH SGM held on 19 July, 2005 are as follows:

Ordinary Resolution	Number of Votes (Approximate %)	
	For	Against
To approve the Acquisition Agreement and its implementation including the issue of the Consideration KWCM Shares and the deemed disposal of KWCM	477,843,580 (100%)	0 (0%)
The resolution was duly passed as an ordinary resolution.		

At the date of the KWIH SGM, the issued share capital of KWIH was 2,334,483,830 KWIH Shares. The total number of shares entitling the holders to attend and vote for or against the resolution proposed at the KWIH SGM were 1,021,287,970 KWIH Shares. None of the shares entitled the holder to attend and vote only against the resolution at the KWIH SGM.

The Trusts, the Family Companies, the Lui Family, Dr. Lui, Francis Lui, Lawrence Lui, the Minority Vendors and their respective ultimate beneficial owners and their respective associates together control or are entitled to exercise control of 1,313,195,860 KWIH Shares, representing approximately 56.25% of the voting rights in respect of the shares in KWIH and were required to and did abstain from voting at the KWIH SGM on the resolution. There were no other restrictions on any shareholders to cast votes on the resolution.

Computershare Hong Kong Investor Services Limited, the Branch Share Registrars of KWIH, acted as scrutineers for the poll at the KWIH SGM.

COMPLETION

The Acquisition Agreement is to be completed on 22 July, 2005. Under the terms of the Acquisition Agreement, KWCM has discretion to pay in cash and/or FRNs that part of the Purchase Price that is not required to be satisfied by the issue of the Consideration KWCM Shares and it has determined that at Completion the Purchase Price will be satisfied as follows:

Name of Vendors	Consideration KWCM Shares	Agreed value of	"A" series	"B" series	Cash	Total Consideration
		the Consideration KWCM Shares (HK\$)	FRNs (HK\$)	FRNs (HK\$)		
City Lion	1,160,449,206	9,283,593,648	NIL	2,320,898,413	NIL	11,604,492,061
Netfinity	161,066,521	1,288,532,168	NIL	NIL	NIL	1,288,532,168
Recurrent Profits	111,138,039	889,104,312	NIL	50,906,654	NIL	940,010,966
Brightwealth	325,615,622	2,604,924,976	85,771,245	NIL	565,460,000	3,256,156,221
Future Leader	82,250,410	658,003,280	86,663,291	NIL	571,340,000	1,316,006,571
Total:	1,840,519,798	14,724,158,384	172,434,536	2,371,805,067	1,136,800,000	18,405,197,987

The cash portion of the Purchase Price in the sum of HK\$1,136,800,000 will be funded by the proceeds from the top-up placing announced by KWCM on 21 April, 2005. The net proceeds (after deducting fees and expenses) received by KWCM from the top-up placing was approximately HK\$1,137 million. Neither KWIH nor KWCM intends to make a further announcement following Completion.

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. 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.

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, 19 July, 2005

* For identification only.

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