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合景泰富地產

KWG PROPERTY HOLDING LIMITED

合景泰富地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1813)

DISCLOSEABLE TRANSACTION COOPERATION WITH RESPECT TO THE PROPERTY DEVELOPMENT IN FOSHAN

The Board is pleased to announce that on 17 March 2010, the Company and Rich Come, a wholly-owned subsidiary of the Company, entered into the First Cooperation Agreement with SHK China and Lyntondale pursuant to which Rich Come would cooperate with SHK China for the development of the First Foshan Land through the subscription of 20 Lyntondale Subscribed Shares by Rich Come for a consideration of US\$20. Upon completion of the First Subscription, the issued share capital of Lyntondale will be held as to 80% by SHK China and as to 20% by Rich Come. According to their respective shareholdings in Lyntondale after completion of the First Subscription, SHK China and Rich Come will respectively advance to Lyntondale, which will in turn advance to Channel Win, shareholders loans of up to approximately RMB2,768,000,000 (equivalent to approximately HK\$3,145,812,024) and approximately RMB692,000,000 (equivalent to approximately HK\$786,453,006), aggregating approximately RMB3,460,000,000 (equivalent to approximately HK\$3,932,265,030) in total. Channel Win will then advance or contribute to the capital of the First Project Companies the amounts received and such amounts will be used to pay the acquisition costs of the First Foshan Land.

On the same day, the Company and High Ascent, a wholly-owned subsidiary of the Company, entered into the Second Cooperation Agreement with SHK China and Bonserry pursuant to which High Ascent would cooperate with SHK China for the development of the Second Foshan Land through the subscription of 20 Bonserry Subscribed Shares by High Ascent for a consideration of US\$20. Upon completion of the Second Subscription, the issued share capital of Bonserry will be held as to 80% by SHK China and as to 20% by High Ascent. According to their respective shareholdings in Bonserry after completion of the Second Subscription, SHK China and High Ascent will respectively advance to Bonserry, which will in turn advance to Garry, shareholders loans of up to approximately RMB3,764,000,000 (equivalent to approximately HK\$4,277,758,836) and approximately RMB941,000,000 (equivalent to approximately HK\$1,069,439,709), aggregating approximately RMB4,705,000,000 (equivalent to approximately HK\$5,347,198,545) in total. Garry will then advance or contribute to the capital of the Second Project Companies the amounts received and such amounts will be used to pay the acquisition costs of the Second Foshan Land.

Lyntondale indirectly wholly owns the First Project Companies which are established in the PRC for the purpose of holding the land use right of the First Foshan Land, which is situated in Foshan, the PRC, and developing the First Foshan Land, and constructing, selling and/or leasing the First Properties. Bonserry indirectly wholly owns the Second Project Companies which are in the process of being established in the PRC for the purpose of holding the land use right of the Second Foshan Land, which is situated in Foshan, the PRC, and developing the Second Foshan Land, and constructing, selling and/or leasing the Second Properties.

As SHK China is a contracting party in the First Cooperation Agreement and the Second Cooperation Agreement, the Subscriptions under the First Cooperation Agreement and the Second Cooperation Agreement form a series of transactions which should be treated as if they were one transaction under Rule 14.22 of the Listing Rules. As the applicable percentage ratios (as set out in the Listing Rules) on aggregation of the First Subscription and the Second Subscription, calculated with reference to the expected aggregate capital commitment of Rich Come in Lyntondale and High Ascent in Bonserry, are more than 5% but less than 25%, the cooperation as contemplated under the Cooperation Agreements constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

THE FIRST COOPERATION AGREEMENT

Date:

17 March 2010

Parties:

- (a) Rich Come, an indirect wholly-owned subsidiary of the Company;
- (b) SHK China;
- (c) Lyntondale; and
- (d) the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, so far as the Directors are aware SHK China, Lyntondale and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Company has agreed to guarantee the due performance of Rich Come's obligations under the First Cooperation Agreement.

Subject matter

Through the subscription of 20 Lyntondale Subscribed Shares pursuant to the First Cooperation Agreement, Rich Come will cooperate with SHK China for the development of the First Foshan Land. Upon completion of the First Subscription, the issued share capital of Lyntondale will be held as to 80% by SHK China and as to 20% by Rich Come.

Consideration

The consideration for the First Subscription shall be US\$20, which will be satisfied in full in cash. The consideration was determined after arm's length negotiation between SHK China and Rich Come with reference to the par value of 20 Lyntondale Subscribed Shares. The Directors (including the independent non-executive Directors) are of the view that the consideration for the First Subscription is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Capital Commitment under the First Cooperation Agreement

According to their respective shareholdings in Lyntondale after completion of the First Subscription, SHK China and Rich Come will respectively advance to Lyntondale, which will in turn advance to Channel Win, shareholders' loans of up to approximately RMB2,768,000,000 (equivalent to approximately HK\$3,145,812,024) and approximately RMB692,000,000 (equivalent to approximately HK\$786,453,006), aggregating approximately RMB3,460,000,000 (equivalent to approximately HK\$3,932,265,030) in total. Channel Win will then advance or contribute to the capital of the First Project Companies the amounts received and such amounts will be used to pay the acquisition costs of the First Foshan Land. The acquisition costs of the First Foshan Land are to be paid in stages in such amounts as at least equal to any payment which will become due and payable under the relevant land grant contracts. Prior to the signing of the First Cooperation Agreement, SHK China had already advanced a total of US\$111,000,000 (equivalent to approximately HK\$860,644,050), and Rich Come will reimburse SHK China such amount in the proportion according to its 20% shareholding in Lyntondale together with interest accrued thereon.

Completion

The completion of the First Subscription shall take place on 22 March 2010, being 3 Business Days from the date of the First Cooperation Agreement (or such later date as the parties to the First Cooperation Agreement may otherwise agree).

The Company intends to fund the capital commitments under the First Cooperation Agreement by its internal financial resources.

THE SECOND COOPERATION AGREEMENT

Date:

17 March 2010

Parties:

- (a) High Ascent, an indirect wholly-owned subsidiary of the Company;
- (b) SHK China;
- (c) Bonserry; and
- (d) the Company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, so far as the Directors are aware SHK China, Bonserry and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Company has agreed to guarantee the due performance of High Ascent's obligations under the Second Cooperation Agreement.

Subject matter

Through the subscription of 20 Bonserry Subscribed Shares pursuant to the Second Cooperation Agreement, High Ascent will cooperate with SHK China for the development of the Second Foshan Land. Upon completion of the Second Subscription, the issued share capital of Bonserry will be held as to 80% by SHK China and as to 20% by High Ascent.

Consideration

The consideration for the Second Subscription shall be US\$20, which will be satisfied in full in cash. The consideration was determined after arm's length negotiation between SHK China and High Ascent with reference to the par value of 20 Bonserry Subscribed Shares. The Directors (including the independent non-executive Directors) are of the view that the consideration for the subscription of 20 Bonserry Subscribed Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Capital Commitment under the Second Cooperation Agreement

According to their respective shareholdings in Bonserry after completion of the Second Subscription, SHK China and High Ascent will respectively advance to Bonserry, which will in turn advance to Garry, shareholders' loans of up to approximately RMB3,764,000,000 (equivalent to approximately HK\$4,277,758,836) and approximately RMB941,000,000 (equivalent to approximately HK\$1,069,439,709), aggregating approximately RMB4,705,000,000 (equivalent to approximately HK\$5,347,198,545) in total. Garry will then advance or contribute to the capital of the Second Project Companies the amounts received and such amounts will be used to pay the acquisition costs of the Second Foshan Land. The acquisition costs of the Second Foshan Land are to be paid in stages in such amounts as at least equal to any payment which will become due and payable under the relevant land grant contracts. Prior to the signing of the Second Cooperation Agreement, SHK China had already advanced a total of HK\$1,085,000,000 and High Ascent will reimburse SHK China such amount in the proportion according to its 20% shareholding in Bonserry together with interest accrued thereon.

Completion

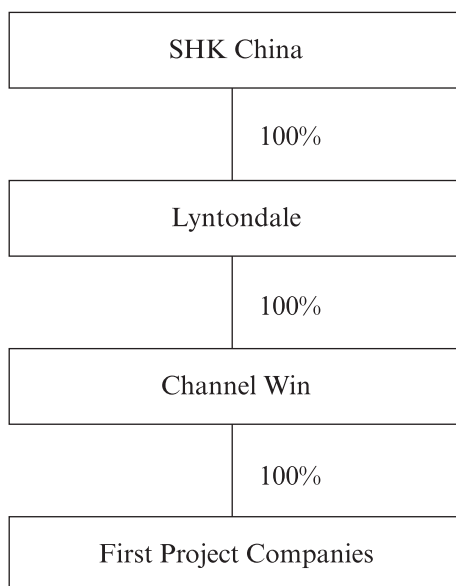
The completion of the Second Subscription shall take place on 22 March 2010, being 3 Business Days from the date of the Second Cooperation Agreement (or such later date as the parties to the Second Cooperation Agreement may otherwise agree).

The Company intends to fund the capital commitments under the Second Cooperation Agreement by its internal financial resources.

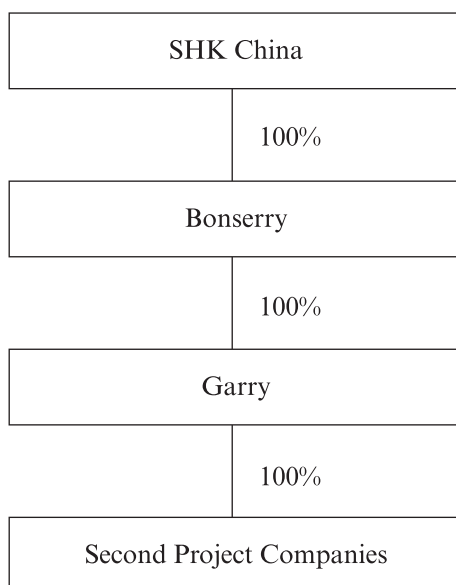
SHAREHOLDINGS STRUCTURE

The shareholding structure of Lyntondale and Bonserry before and after completion of the First Cooperation Agreement and the Second Cooperation Agreement is set out below:

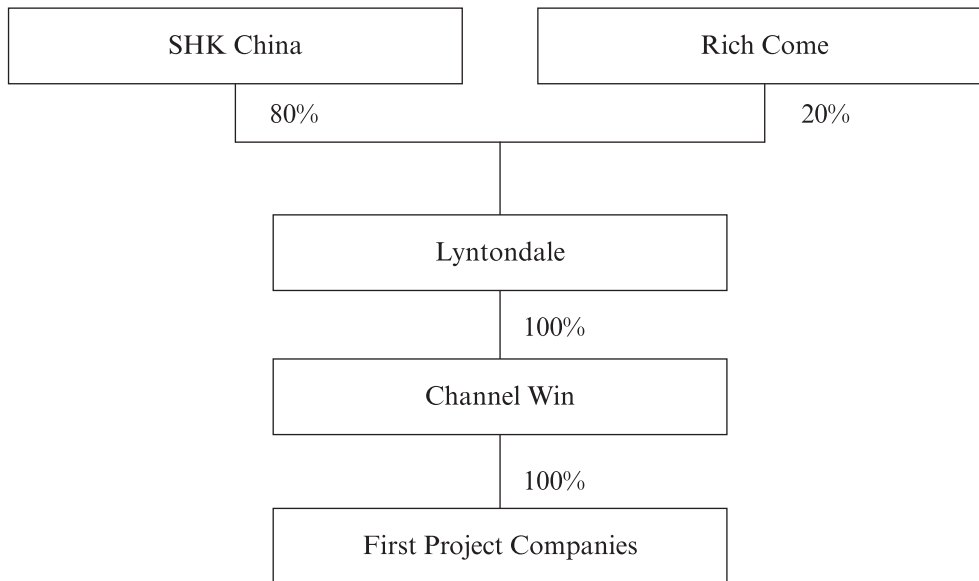
Before completion of the First Cooperation Agreement



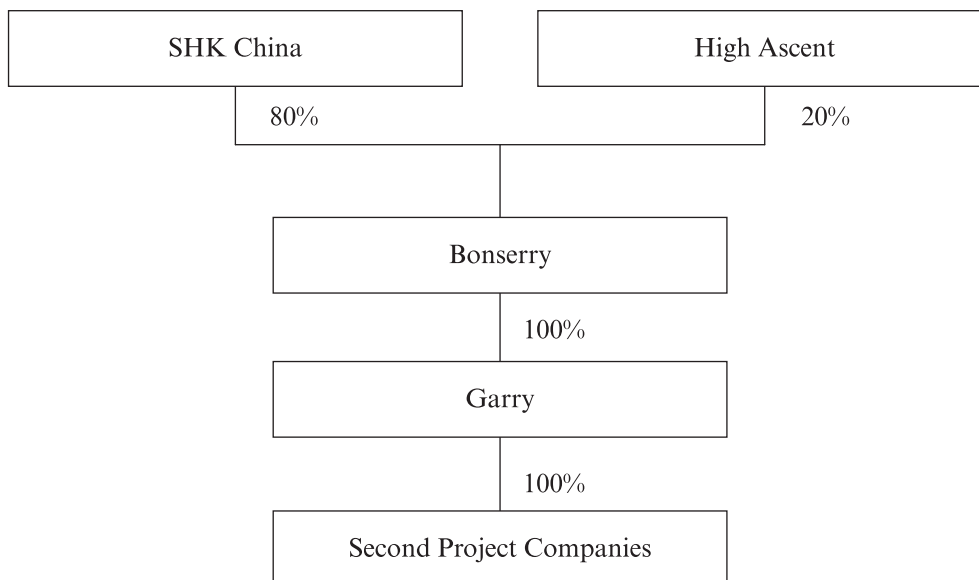
Before completion of the Second Cooperation Agreement



After completion of the First Cooperation Agreement



After completion of the Second Cooperation Agreement



INFORMATION ON THE LAND, LYNTONDALE, CHANNEL WIN, BONSAERRY AND GARRY

The First Foshan Land covers three parcels of land located in the PRC at (i) the west side of Zong Er Road, the south side of Heng Yi Road, the east side of Foshan Da Dao, the north side of Qian Jin Road, Chan Cheng Area, Foshan City (佛山市禪城區前進路北側、佛山大道東側、橫一路南側、縱二路西側), (ii) the west side of Zong Er Road, the north side of Dong Ping River, the south side of Qian Jin Road, the east side of Foshan Da Dao, Chan Cheng Area, Foshan City (佛山市禪城區佛山大道東側、前進路南側、東平河北側、縱二路西側), and (iii) the south side of Lanshi Er Road, the north side of Dong Ping Road, the west side of Feng Jiang South Road, Chan Cheng Area, Foshan City (佛山市禪城區汾江南路西側、東平路北側、瀾石二路南側) with a total site area of approximately 459,280.88 square metres.

The Second Foshan Land covers four parcels of land located in the PRC at (i) the south side of Lanshi Er Road, the north side of Qian Jin Road, the east side of Fen Jiang Nan Road, Chan Cheng Area, Foshan City (佛山市禪城區汾江南路東側、前進路北側、瀾石二路南側), (ii) the west side of Zong Wu Road, the south side of Heng Yi Road and Heng Er Road, the east side of Zong San Road, the north side of Qian Jin Road, Chan Cheng Area, Foshan City (佛山市禪城區前進路北側、縱三路東側、橫一路和橫二路南側、縱五路西側); (iii) the west side of Zong Wu Road, the east side of Zong San Road, the north side of Heng San Road, the south side of Qian Jin Road, Chan Cheng Area, Foshan City (佛山市禪城區前進路南側、橫三路北側、縱三路東側、縱五路西側), and (iv) the west side of Zong Wu Road, the south side of Heng San Road, the east side of Zong San Road, the north side of Dong Ping River, Chan Cheng Area, Foshan City (佛山市禪城區東平河北側、縱三路東側、橫三路南側、縱五路西側) with a total site area of approximately 523,727.69 square metres.

As the First Foshan Land and the Second Foshan Land are located at the same area, the First Foshan Land and the Second Foshan Land will be developed into the Properties which are expected to comprise residential and commercial complex developments, including retail, serviced apartment, hotel, office and residential.

Lyntondale

Lyntondale is an investment holding company and its principal activity is to hold the entire issued share capital of Channel Win. Lyntondale was incorporated on 19 July 2007 and it has no other operation other than its equity interest in Channel Win. The financial information of Lyntondale for the two years ended 30 June 2009 are as follows:

	For the year ended 30 June 2009 (unaudited) <i>HK\$</i>	For the year ended 30 June 2008 (unaudited) <i>HK\$</i>
Turnover	—	—
Loss before taxation	—	—
Loss after taxation	—	—
Net assets	7.75	7.75

Lyntondale will be accounted for as an associated company of the Company upon completion of the First Cooperation Agreement.

After completion of the First Cooperation Agreement, the board of directors of Lyntondale shall comprise 5 directors, of which SHK China shall have the right to appoint 4 directors and Rich Come shall have the right to appoint 1 director.

Channel Win

Channel Win is an investment holding company and its principal activity is to hold the entire equity interests in the First Project Companies for the purpose of holding the land use rights of the First Foshan Land, developing the First Foshan Land, and constructing, selling and/or leasing the First Properties. Channel Win was incorporated on 7 August 2007 and it has no other operation other than its equity interests in the First Foshan Land. The financial information of Channel Win for the two years ended 30 June 2009 are as follows:

	For the year ended 30 June 2009 (unaudited) <i>HK\$</i>	For the year ended 30 June 2008 (unaudited) <i>HK\$</i>
Turnover	—	—
Loss before taxation	—	—
Loss after taxation	—	—
Net assets	1.00	1.00

Channel Win will be accounted for as an associated company of the Company upon completion of the First Cooperation Agreement.

After completion of the First Cooperation Agreement, the board of directors of Channel Win shall comprise 5 directors, of which SHK China shall have the right to appoint 4 directors and Rich Come shall have the right to appoint 1 director.

Bonserry

Bonserry is an investment holding company and its principal activity is to hold the entire issued share capital of Garry. Bonserry was incorporated on 19 July 2007 and it has no other operation other than its equity interest in Garry. The financial information of Bonserry for the two years ended 30 June 2009 are as follows:

	For the year ended 30 June 2009 (unaudited) <i>HK\$</i>	For the year ended 30 June 2008 (unaudited) <i>HK\$</i>
Turnover	—	—
Loss before taxation	—	—
Loss after taxation	—	—
Net assets	7.75	7.75

Bonserry will be accounted for as an associated company of the Company upon completion of the Second Cooperation Agreement.

After completion of the Second Cooperation Agreement, the board of directors of Bonserry shall comprise 5 directors, of which SHK China shall have the right to appoint 4 directors and High Ascent shall have the right to appoint 1 director.

Garry

Garry is an investment holding company and its principal activity is to hold the entire equity interests in the Second Project Companies for the purpose of holding the land use rights of the Second Foshan Land, developing the Second Foshan Land, and constructing, selling and/or leasing the Second Properties. Garry was incorporated on 29 November 2006 and it has no other operation other than its equity interests in the Second Foshan Land. The financial information of Garry for the two years ended 30 June 2009 are as follows:

	For the year ended 30 June 2009 (unaudited) <i>HK\$</i>	For the year ended 30 June 2008 (unaudited) <i>HK\$</i>
Turnover	—	—
Loss before taxation	—	—
Loss after taxation	—	—
Net assets	1.00	1.00

Garry will be accounted for as an associated company of the Company upon completion of the Second Cooperation Agreement.

After completion of the Second Cooperation Agreement, the board of directors of Garry shall comprise 5 directors, of which SHK China shall have the right to appoint 4 directors and High Ascent shall have the right to appoint 1 director.

REASONS FOR ENTERING INTO THE COOPERATION AGREEMENTS AND FORMING THE JOINT VENTURE

The Group is principally engaged in property development, property investment, hotel operation and property management service provision activities in the PRC. The Directors consider that the Group's holding of 20% equity interests in Lyntondale and Bonserry gives an opportunity for the Group to participate in property development in Foshan City which the Board considers to have continued growth potential in the future in light of the healthy development of the real estate market in Foshan City. The Directors believe that the Group's investment in Lyntondale and Bonserry will enable the Group to further strengthen its business in the field of property development in the PRC and that the cooperation with SHK China will bring valuable experience and expertise in the development of the Properties. The Board considers the cooperation with SHK China is beneficial to the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the First Cooperation Agreement and the Second Cooperation Agreement have been made on normal commercial terms and that such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the entering into the Cooperation Agreements are in the interest of the Company and the Shareholders as a whole.

GENERAL

The Group is principally engaged in property development, property investment, hotel operation and property management service provision activities in the PRC. The principal activity of each of Rich Come and High Ascent is investment holding.

The principal activity of SHK China is investment holding.

IMPLICATIONS UNDER THE LISTING RULES

As SHK China is a contracting party in the First Cooperation Agreement and the Second Cooperation Agreement, the Subscriptions under the First Cooperation Agreement and the Second Cooperation Agreement form a series of transactions which should be treated as if they were one transaction under Rule 14.22 of the Listing Rules. As the applicable percentage ratios (as set out in the Listing Rules) on aggregation of the First Subscription and the Second Subscription, calculated with reference to the expected aggregate capital commitment of Rich Come in Lyntondale and High Ascent in Bonserry, are more than 5% but less than 25%, the cooperation as contemplated under the Cooperation Agreements constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Bonserry”	Bonserry Investments Limited, a company incorporated in the British Virgin Islands on 19 July 2007 with limited liability
“Bonserry Subscribed Shares”	ordinary shares of US\$1.00 each in the Share capital of Bonserry
“Business Day”	a day on which banks are generally open for banking business in Hong Kong and the PRC (excluding Saturday)
“Channel Win”	Channel Win Investment Limited, a company incorporated in Hong Kong on 7 August 2007 with limited liability
“Company”	KWG Property Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreements”	the First Cooperation Agreement and the Second Cooperation Agreement
“Director”	the directors of the Company;

“First Foshan Land”	three parcels of land located in the PRC at (i) the west side of Zong Er Road, the south side of Heng Yi Road, the east side of Foshan Da Dao, the north side of Qian Jin Road, Chan Cheng Area, Foshan City (佛山市禪城區前進路北側、佛山大道東側、橫一路南側、縱二路西側), (ii) the west side of Zong Er Road, the north side of Dong Ping River, the south side of Qian Jin Road, the east side of Foshan Da Dao, Chan Cheng Area, Foshan City (佛山市禪城區佛山大道東側、前進路南側、東平河北側、縱二路西側), and (iii) the south side of Lanshi Er Road, the north side of Dong Ping Road, the west side of Fen Jiang South Road, Chan Cheng Area, Foshan City (佛山市禪城區汾江南路西側、東平路北側、瀾石二路南側) with a total site area of approximately 459,280.88 square metres;
“First Project Companies”	three wholly foreign owned enterprises established in the PRC on 24 February 2010 by Channel Win namely, Foshan Xinfeng Real Estate Development Co., Ltd. (佛山市新鋒房地產開發有限公司), Foshan Xinsheng Real Estate Development Co., Ltd. (佛山市新升房地產開發有限公司) and Foshan Xinjin Real Estate Development Co., Ltd. (佛山市新晉房地產開發有限公司) for the purpose of holding the land use rights of the First Foshan Land, developing the First Foshan Land, and constructing, selling and/or leasing the First Properties
“First Properties”	the properties to be developed on the First Foshan Land
“First Subscription”	the subscription of 20 Lyntondale Subscribed Shares by Rich Come
“Garry”	Garry Limited, a company incorporated in Hong Kong on 29 November 2006 with limited liability
“Group”	the Company and its subsidiaries
“High Ascent”	High Ascent Enterprises Limited, a company incorporated in the British Virgin Islands on 2 October 2007 with limited liability and a wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Land”	the First Foshan Land and the Second Foshan Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lyntondale”	Lyntondale Holdings Limited, a company incorporated in the British Virgin Islands on 19 July 2007 with limited liability
“Lyntondale Subscribed Shares”	ordinary shares of US\$1.00 each in the share capital of Lyntondale
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Properties”	the First Properties and the Second Properties

“Rich Come”	Rich Come Enterprises Limited, a company incorporated in the British Virgin Islands on 10 July 2007 with limited liability and a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Foshan Land”	four parcels of land located in the PRC at (i) the south side of Lanshi Er Road, the north side of Qian Jin Road, the east side of Fen Jiang Nan Road, Chan Cheng Area, Foshan City (佛山市禪城區汾江南路東側、前進路北側、瀾石二路南側), (ii) the west side of Zong Wu Road, the south side of Heng Yi Road and Heng Er Road, the east side of Zong San Road, the north side of Qian Jin Road, Chan Cheng Area, Foshan City (佛山市禪城區前進路北側、縱三路東側、橫一路和橫二路南側、縱五路西側); (iii) the west side of Zong Wu Road, the east side of Zong San Road, the north side of Heng San Road, the south side of Qian Jin Road, Chan Cheng Area, Foshan City (佛山市禪城區前進路南側、橫三路北側、縱三路東側、縱五路西側), and (iv) the west side of Zong Wu Road, the south side of Heng San Road, the east side of Zong San Road, the north side of Dong Ping River, Chan Cheng Area, Foshan City (佛山市禪城區東平河北側、縱三路東側、橫三路南側、縱五路西側) with a total site area of approximately 523,727.69 square metres;
“Second Project Companies”	four wholly foreign owned enterprises to be established in the PRC by Garry for the purpose of holding the land use rights of the Second Foshan Land, developing the Second Foshan Land, and constructing, selling and/or leasing the Second Properties
“Second Properties”	the properties to be developed on the Second Foshan Land
“Second Subscription”	the subscription of 20 Bonserry Subscribed Shares by High Ascent
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“SHK China”	Sun Hung Kai Development (China) Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the First Subscription and the Second Subscription
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, the exchange rate of RMB0.87990 = HK\$1.00 and US\$1.00 = HK\$7.75355 have been used for currency translation, where applicable. Such exchange rates are for illustration purposes and do not constitute a representation that any amount in RMB, HK\$ or US\$ have been, could have been or may be converted at such rate.

By the order of the Board
KWG Property Holding Limited
Kong Jian Min
Chairman

Hong Kong, 17 March 2010

As at the date of this announcement, the executive directors of the Company are Mr. Kong Jian Min, Mr. Kong Jian Tao, Mr. Kong Jian Nan, Mr. Li Jian Ming, Mr. Tsui Kam Tim and Mr. He Wei Zhi; and the independent non-executive directors of the Company are Mr. Lee Ka Sze, Carmelo, Mr. Dai Feng and Mr. Tam Chun Fai.