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**廣州富力地產股份有限公司**  
**GUANGZHOU R&F PROPERTIES CO., LTD.\***

*(a joint stock company incorporated in  
the People's Republic of China with limited liability)*

**(Stock Code: 2777)**



**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)**

## **JOINT ANNOUNCEMENT**

### **RULE 13.09 ANNOUNCEMENT FOR R&F DISCLOSEABLE TRANSACTION FOR KWG**

### **SHARE PURCHASE AGREEMENT RELATING TO THE ACQUISITION OF 100% EQUITY INTEREST IN HSNJD**

The respective boards of directors of R&F and KWG are pleased to announce that they, as the Purchasers on a 50:50 basis between themselves, have entered into the Share Purchase Agreement on November 5, 2010, with HCC and HIREF as the Sellers, for the acquisition of the entire issued and paid-up share capital of HSNJD, for a consideration of US\$353,500,000.

HSNJD is an investment holding company incorporated in the Cayman Islands which holds a 70% interest in the registered capital of the Project Company which holds the Project Properties. The Project Properties consist of a residential development named California Place Shanghai (加州水郡) and a retail, office and hotel complex named California Square Shanghai (加州廣場). The remaining 30% interest in the registered capital of the Project Company is held by Shanghai Chengtou Cityland (Group) Co., Ltd.

The Acquisition constitutes price-sensitive information for R&F and is being announced by R&F pursuant to Listing Rule 13.09(1). It constitutes a discloseable transaction for KWG under Rule 14.06 of the Listing Rules subject to the notification and announcement requirements set out in the Listing Rules.

\* For identification only

## **ACQUISITION OF HSNJD**

The respective boards of directors of R&F and KWG are pleased to announce that R&F and KWG, as the Purchasers on a 50:50 basis between themselves, have entered into the Share Purchase Agreement on November 5, 2010, with HCC and HIREF as Sellers, for the acquisition of the entire issued and paid-up share capital of HSNJD for a consideration of US\$353,500,000.

### **Date of the Share Purchase Agreement**

November 5, 2010

### **Parties to the Share Purchase Agreement**

The parties to the Share Purchase Agreement are:

(a) HCC;  
(b) HIREF;  
as Sellers; and

(c) R&F  
(d) KWG  
as Purchasers.

Both HCC and HIREF are investment funds sponsored by Hines, a privately owned international real estate firm. HCC is a limited partnership in the State of Delaware in the United States, and invests in office, retail, land development, industrial, mixed use and hospitality projects in China. HIREF is a collective investment fund organized under the laws of the Grand Duchy of Luxembourg and acquires and develops office, retail, residential and industrial projects in emerging markets, with its main focus being China, Russia and Poland.

To the best of the knowledge, information and belief of the directors of R&F, having made all reasonable enquiry, R&F is independent of, and not connected with, KWG or with any of the Sellers or any of their respective connected persons. To the best of the knowledge, information and belief of the directors of KWG, having made all reasonable enquiry, KWG is independent of, and not connected with, R&F or with any of the Sellers or any of their respective connected persons.

## Sale and Purchase of the Shares and Consideration

The Shares to be sold by the Sellers and purchased by the Purchasers, and the consideration to be paid by the Purchasers and received by the Sellers, is summarized in the following table.

<b>Name of Seller</b>	<b>Number of Shares to be sold by Seller</b>	<b>Name of Purchaser</b>	<b>Proportionate Base Consideration</b>
HCC	25 A Shares	R&F	US\$88,375,000
HCC	25 A Shares	KWG	US\$88,375,000
HIREF	25 B Shares	R&F	US\$88,375,000
HIREF	25 B Shares	KWG	US\$88,375,000
<b>TOTAL</b>	<b>50 A Shares and 50 B Shares</b>	<b>—</b>	<b>US\$353,500,000</b>

The consideration of US\$353,500,000 will be paid by R&F and KWG as to half each, being US\$176,750,000 for each of them. A deposit of US\$35,350,000 will be paid towards the consideration for the Acquisition within 2 business days from the date of the Share Purchase Agreement, to be borne as to half each by each of the Purchasers.

The consideration for the Acquisition was arrived at after arm's length negotiation between the Purchasers and the Sellers with reference to the prevailing market price of the Project Properties, as well as the market value of comparable properties in the vicinity of the Project Properties. The consideration for the Acquisition will be satisfied by each of R&F and KWG from their internal resources.

## HSNJD, PROJECT COMPANY AND PROJECT PROPERTIES

HSNJD is an investment holding company incorporated in the Cayman Islands. As of the date of this announcement, the principal assets of HSNJD are its 70% interest in the Project Company. The Project Company, a Sino-foreign joint venture company whose registered capital is RMB 855,000,000, is owned by HSNJD as to 70% and by Shanghai Chengtou Cityland (Group) Co., Ltd. (上海城投置地(集團)有限公司) as to the remainder 30%. The Purchasers intend to acquire the remaining 30% shareholding of the Project Company.

The Project Company holds the Project Properties including a residential development named California Place Shanghai (加州水郡) and a retail, office and hotel complex named California Square Shanghai.

California Place Shanghai is a residential project with an approximately 211,609 square meter GFA (not including underground GFA), located at parcels C5-2 and C5-4, New Jiangwan Town, Yangpu District, Shanghai, China (中國上海市楊浦區新江灣城(C5-2地塊和C5-4地塊)). Phase 1 of California Place Shanghai consists of a total of 486 apartments of which 484 apartments have been pre-sold but not yet delivered and handed over, and 362 underground car parks. Following the completion of the Share Purchase Agreement, the Sellers will continue to manage the construction, delivery and handover of the Phase 1 apartments to their new owners.

California Square Shanghai (加州廣場) is a retail, office and hotel complex with an approximately 143,736 square meter GFA (not including underground GFA), which is being constructed at parcels C5-7 and C5-8, New Jiangwan Town, Yangpu District, Shanghai, China (中國上海市楊浦區新江灣城(C5-7地塊和C5-8地塊)).

### **Conditions Precedent to Completion**

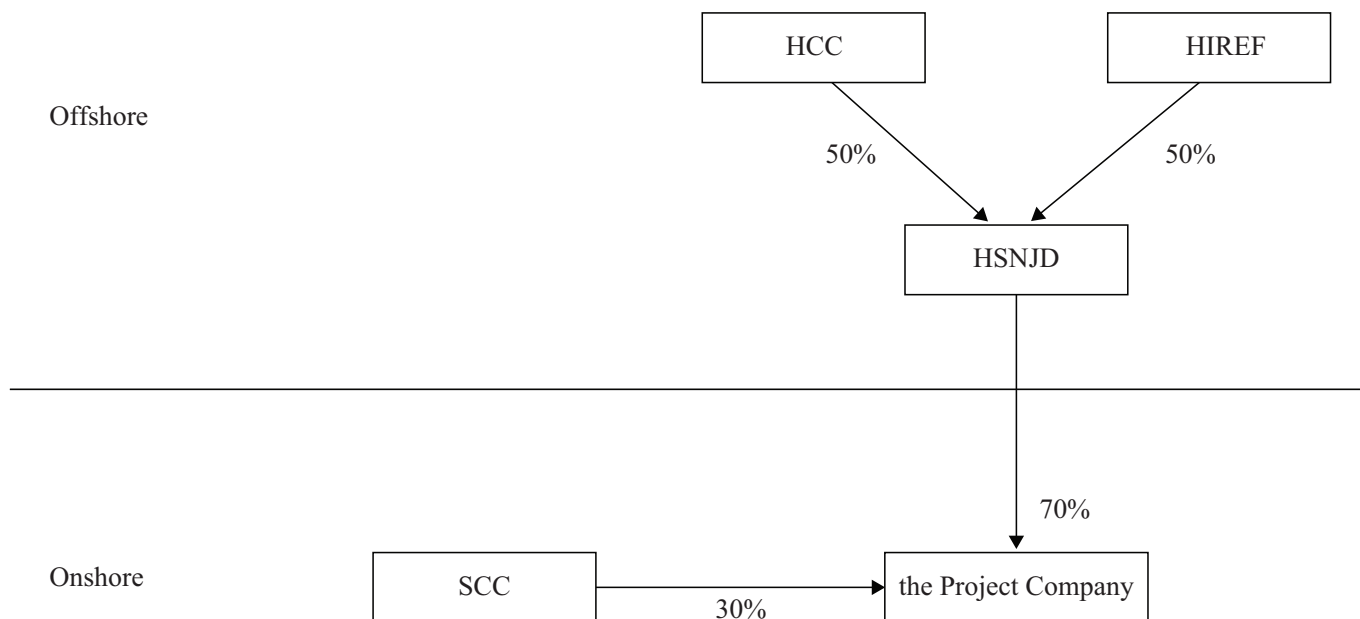
The following are the conditions precedent to Completion. Subject to the satisfaction or waiver of such conditions on or before 27 December 2010, Completion will take place not earlier than December 1, 2010 but not later than December 31, 2010. None of such conditions have as yet to be satisfied at the date of this announcement.

- (1) payment by the Project Company of the outstanding land compensation for the Project Properties in the amount of RMB212,215,000;
- (2) payment by the Project Company of RMB31,909,289 into a cost overrun retention account;
- (3) termination of certain development management agreements previously entered into by HSNJD or the Project Company without there being any compensation costs or legal liabilities associated with such termination;
- (4) there being no material breach of any of the warranties made by the sellers under the Share Purchase Agreement relating to, among other things, ownership by the Sellers of the Shares, ownership by HSNJD of 70% of the Project Company, and title documents of the Project Company relating to the Project Properties.

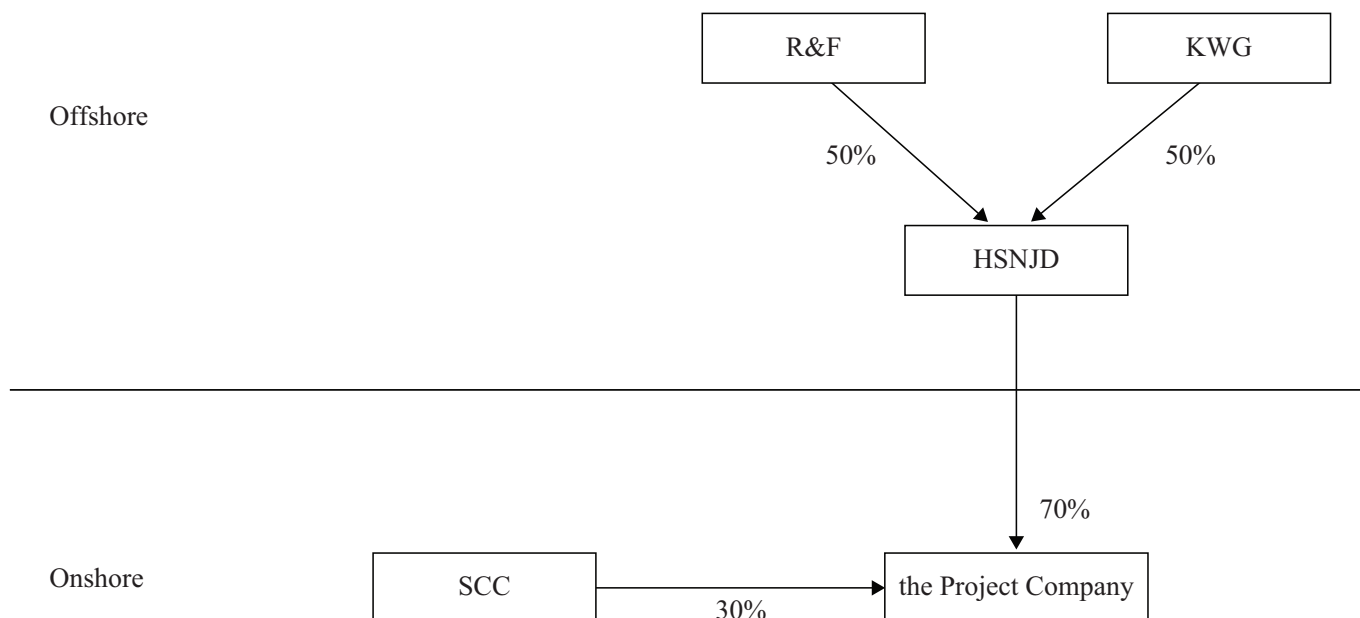
In the event the conditions precedent are not satisfied or waived or Completion fails to occur, in either case due to a failure of the Purchasers to comply with their obligations under the Share Purchase Agreement, then the deposit will be forfeited against the Purchasers. Where the conditions precedent are not satisfied or waived or Completion fails to occur otherwise than due to such failure of the Purchasers, then the deposit will be returned. If the situation is due to the failure of the Sellers to comply with their obligations under the Share Purchase Agreement, then in certain circumstances, in addition to the return of the deposit, the Sellers are required to pay liquidated damages of an amount equal to the deposit, including where the breach is a failure of the Sellers to deliver title to the Shares.

## Organisational Structure

Prior to Completion, the structure of the Project Group is as follows:



Upon Completion, the structure of the Project Group is as follows:



## **REASONS FOR THE ACQUISITION**

The development of the Project Properties through the Project Company is considered by each of R&F and KWG to be in its ordinary and usual course of business.

The respective boards of directors of R&F and KWG believe that the development of the Project Properties through the Project Company provides a good opportunity for each of them to further enhance their positions in the PRC property market, especially in Shanghai. The respective directors of R&F and KWG consider that the Acquisition has been made on normal commercial terms and that the terms of the Share Purchase Agreement are fair and reasonable so far as their respective companies and shareholders are concerned and that the Acquisition and the development of the Project Properties are in the interest of each of their companies and their shareholders as a whole.

## **GENERAL**

R&F is principally engaged in property development in the PRC. KWG is principally engaged in property development, property investment, hotel operation and property management service provision activities in the PRC.

Based on the unaudited consolidated financial statements of the HSNJD from 1 January to 30 September 2010, the total assets of the HSNJD are approximately RMB3,906.4 million as at 30 September 2010 and the net loss of the HSNJD for the corresponding period is approximately RMB3.8 million.

## **IMPLICATIONS UNDER THE LISTING RULES**

This Acquisition constitutes price-sensitive information for R&F and is being announced by R&F pursuant to Listing Rule 13.09(1). It constitutes a discloseable transaction for KWG under Rule 14.06 of the Listing Rules subject to the notification and announcement requirements set out in the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Acquisition”	the purchase of the Shares by the Purchasers from the Sellers pursuant to the terms and conditions of the Share Purchase Agreement
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the date on which Completion occurs
“GFA”	gross floor area
“HCC”	HCC Interests LP, a limited partnership established in the State of Delaware, U.S.A.
“HIREF”	Hines International Real Estate Fund, a collective investment fund organized under the laws of the Grand Duchy of Luxembourg
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HSNJD”	Hines Shanghai New Jiangwan Development Co., Ltd., a company incorporated in the Cayman Islands
“KWG”	KWG Property Holding Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Project Company”	Shanghai Chengtou Yuecheng Real Estate Co., Ltd. (上海城投悦城置業有限公司), a limited liability company incorporated in the PRC
“Project Group”	HSNJD and the Project Company
“Project Properties”	the four parcels of land located at New Jiangwan, Yangpu District, Shanghai and the properties developed and being developed thereon
“Purchasers”	R&F and KWG
“R&F”	Guangzhou R&F Properties Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H-shares of which are listed on the main board of the Stock Exchange
“RMB”	Renminbi, the lawful currency of the PRC
“SCC”	Shanghai Chengtou Cityland (Group) Co., Ltd, (上海城投置地(集團)有限公司) a company incorporated in the PRC
“Sellers”	HCC and HIREF
“Shares”	the 50 A shares and the 50 B shares with a face value of US\$1.00 each in the issued and paid-up share capital of HSNJD
“Share Purchase Agreement”	the Sale and Purchase Agreement dated November 5, 2010 relating to the sale and purchase of the Shares entered into between the Purchasers and the Sellers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	U.S. dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board  
**Guangzhou R&F Properties Co., Ltd.**  
**Li Sze Lim**  
*Chairman*

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

Hong Kong, November 5, 2010

*As at the date of this announcement, the executive directors of R&F are Mr. Li Sze Lim, Mr. Zhang Li, Mr. Zhou Yaonan and Mr. Lu Jing, and the non-executive directors are Ms. Zhang Lin and Ms. Li Helen, and the independent non-executive directors are Mr. Huang Kaiwen, Mr. Dai Feng and Mr. Lai Ming, Joseph.*

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