

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



合 景 泰 富

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 ACQUISITION OF LAND IN CHENGDU

The Board wishes to announce that the Company has on 20 July 2007 successfully tendered for the Properties in Chengdu at the total land premium of RMB3,622,792,455 (equivalent to approximately HK\$3,651,258,546.71).

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing further information of the Acquisition required under Rule 14.38 of the Listing Rules will be dispatched to the Shareholders as soon as practicable.

THE ACQUISITION

Date:

27 July 2007

Parties involved in the Land Grant Contracts:

1. The Project Co; and
2. The land bureau of Chengdu, a PRC governmental authority. The Properties are state-owned land. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the land bureau of Chengdu is an independent third parties and not a connected persons of the Company or any of its subsidiaries or any of their respective directors, chief executive and substantial shareholders or any associates of any of them.

Subject matter:

On 20 July 2007, the Project Co has successfully tendered for the Properties in Chengdu at the total land premium of RMB3,622,792,455, which is determined after a public bidding process and the Board considers that the consideration is fair and reasonable having taking into account the location and development potential of the Property. The consideration will be satisfied by cash by the internal resources of the Group and is payable as to RMB1,086,837,737 (equivalent to approximately HK\$1,095,377,564.51) upon the signing of the Land Grant Contracts, with the balance payable in stages and the final balance of the land premium is payable before January 2008.

On 27 July 2007, the Project Co entered into the Land Grant Contracts with the land bureau of Chengdu. About 20% of the Properties with land cost of approximately RMB720 million will be held for investment and the balance of the Properties will be developed for sale. Out of the 20%, 11% of the Properties will be used for shopping mall and 9% of the Properties will be used for hotel. Such percentages were determined with reference to the estimated gross floor area. Further announcement will be made by the Company if there is any change to such percentages and the Company will re-comply with the relevant requirement under the Listing Rules when necessary.

THE PROPERTIES

The Properties consist of 3 pieces of bare land located in the PRC, details of which are set out as follows:

Location of the site	Area of the plot	Approved purposes of the relevant plot	Term of land use right granted	Consideration
成都高新區南部新區 豐收片區(高新區原和 平村1組、紅光村1組) (Group 1, Hongguang Village, Group 1 Yuanheping Village Gaoxinqu) Fengshouqu, South part of Xinqu, Gaoxinqu Chengdu*	Approximately 13,857.17 square metres	Residential and commercial	Residential – 70 years Commercial – 40 years	RMB201,622,260
成都高新區南部新區 仁和片區30號(高新區 原仁和村3、7、8組、 清和村9組) (Group 9 Qinghe Village, Groups 3, 7, 8 Yuanrenhe Village, Gaoxinqu) No.30 Renhepianqu, South part of Xinqu, Gaoxinqu, Chengdu*	Plot A: Approximately 78,961.88 square metres Plot B: Approximately 36,787.59 square metres	Plot A: Residential Plot B: Cultural and entertainment, government office and commercial	Residential – 70 years Commercial – 40 years	RMB2,074,809,190

Location of the site	Area of the plot	Approved purposes of the relevant plot	Term of land use right granted	Consideration
成都高新區南部新區 仁和片區38號(高新區 原仁和村2組、3組、8 組) (Group 2, Group 3, Group 8 Yuanrenhe Village, Gaoxinqu) No.38 Renhepianqu, South part of Xinqu, Gaoxinqu, Chengdu*	Plot A: Approximately 43,501.68 square metres Plot B: Approximately 27,452.80 square metres	Plot A: Residential Plot B: Cultural and entertainment, government office and commercial	Residential – 70 years Commercial – 40 years	RMB1,346,361,005

Note English translation of the Chinese names of the Properties*

The Properties are for residential, commercial and hotel development project. It is the current plan that the Project will comprise office buildings, residential units, hotels and shopping malls.

REASONS AND BENEFITS FOR THE ACQUISITION

The Board believes that the Acquisition will increase the land bank of the Group, enhance the Group's position in the PRC property market and provide the Group with a better opportunity for project development in Chengdu, the PRC. The Directors are of the view that the Acquisition has 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 Acquisition is in the interest of the Company and the Shareholders as a whole.

GENERAL

The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the property development and investment, and property management in the PRC.

The Project Co is a subsidiary of the Company, currently with a registered capital of RMB20 million. The Project Co is engaged in the development of the Properties.

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. A circular containing further information of the Acquisition required under Rule 14.38 of the Listing Rules will be dispatched to the Shareholders as soon as practicable. At the time when the Company entered into the Land Grant Contracts, the Company did not consider necessary to make this announcement. However, upon further consultation with the Stock Exchange, the Company makes this announcement in compliance with the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	Acquisition of the Properties pursuant to the terms of the Land Grant Contracts
“Board”	The board of Directors
“Company”	KWG Property Holding Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Grant Contracts”	the land grant contracts dated 27 July 2007 between the Project Co and the land bureau in Chengdu with respect of the Properties
“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, the Macau Special Administrative Region and Taiwan
“Project Co”	Chengdu Zhongtianying Real Estate Development Limited, a limited liability company established in the PRC on 6 December 2006 and a wholly-owned subsidiary of the Company
“Properties”	3 pieces of land located in Chengdu, the PRC with a total area of approximately 200,561.12 square metres
“Share(s)”	Shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1.00 = HK\$1.0078575

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

Hong Kong, 2 November 2007

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