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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 TRANSACTIONS ACQUISITIONS OF 30% ISSUED SHARE CAPITAL AND ASSIGNMENT OF SHAREHOLDER'S LOAN IN EACH OF LYNTONDALE AND BONSERRY

The Board is pleased to announce that on 17 July 2015, the Company and Rich Come entered into the First Agreement with the Vendor, pursuant to which the Vendor has agreed to transfer the First Sale Shares and the First Shareholder's Loan to Rich Come at a total consideration of approximately HK\$852,942,357. The Company has agreed to guarantee the due performance of the duties and obligations of Rich Come under the First Agreement. Upon completion of the First Share Transfer, the issued share capital of Lyntondale will be held as to 50% by Rich Come and 50% by the Vendor.

On the same day, the Company and High Ascent entered into the Second Agreement with the Vendor, pursuant to which the Vendor has agreed to transfer the Second Sale Shares and the Second Shareholder's Loan to High Ascent at a total consideration of approximately HK\$1,008,451,477. The Company has agreed to guarantee the due performance of the duties and obligations of High Ascent under the Second Agreement. Upon completion of the Second Share Transfer, the issued share capital of Bonserry will be held as to 50% by High Ascent and 50% by the Vendor.

As the Vendor is a contracting party in the First Agreement and the Second Agreement, the First Acquisition and the Second Acquisition form a series of transactions which should be treated as if they were one transaction under Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined in the Listing Rules) on aggregation in respect of the First Acquisition and the Second Acquisition exceeds 5% but is less than 25%, the First Acquisition and the Second Acquisition constitute discloseable transactions of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements but are exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE FIRST AGREEMENT

Date:

17 July 2015

Parties:

- (a) Rich Come, an indirect wholly-owned subsidiary of the Company, as purchaser;
- (b) the Vendor, as vendor; and
- (c) the Company, as guarantor.

Assets to be acquired

Pursuant to the First Agreement, the Vendor has agreed to transfer the First Sale Shares and the First Shareholder's Loan to Rich Come.

As at the date of the First Agreement, Lyntondale was owned as to 20% by Rich Come and 80% by the Vendor, respectively. Upon completion of the First Share Transfer, Lyntondale will be owned as to 50% by Rich Come and 50% by the Vendor, respectively and Lyntondale will become a joint venture of the Company.

Consideration

The consideration for the First Sale Shares shall be US\$30 (equivalent to approximately HK\$233) which shall be payable by Rich Come to the Vendor in cash on the First Share Transfer Date.

The consideration for the First Shareholder's Loan shall be the sum of US\$94,126,761 and RMB97,267,356 (equivalent to approximately HK\$852,942,124 in aggregate) which shall be payable by Rich Come to the Vendor in the following manner:

- (a) part of the consideration for the First Shareholder's Loan amounted to US\$19,047,486 and RMB7,567,356 (equivalent to approximately HK\$157,246,575 in aggregate) shall be payable by Rich Come to the Vendor on the First Share Transfer Date; and
- (b) the remaining consideration for the First Shareholder's Loan amounted to US\$75,079,275 and RMB89,700,000 (equivalent to approximately HK\$695,695,549 in aggregate) (the "**First Remaining Consideration**") together with interest accrued shall be payable by Rich Come to the Vendor.

Within three years after the First Share Transfer Date, the Vendor shall (i) provide loans to Lyntondale or by other means to settle the payment of the land premium of the First Project Land by the First Project Companies; or (ii) in accordance with the Second Agreement provide loans to Bonserry or by other means to settle the payment of the land premium of the Second Project Land by the Second Project Companies. In such case, the Company shall guarantee and procure Rich Come and/or High Ascent (being the purchaser of the Second Agreement) to early repay the First Remaining Consideration (the "**First Land Equivalent Payables**"). Rich Come and/or High Ascent shall pay a sum equal to the First Land Equivalent Payables being part of the First Remaining Consideration at least 30 Business Days before the due payment date of the land premium.

Without contrary to the above, the First Remaining Consideration shall be settled on or before predetermined dates within three years from the First Share Transfer Date.

The consideration of the First Acquisition was determined after arm's length negotiations between Rich Come and the Vendor, taking into consideration the current and future operations of Lyntondale, Channel Win and the First Project Companies. The Group intends to fund the consideration of the First Acquisition by its internal financial resources.

The Directors are of the view that the consideration of the First Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Guarantee

The First Sale Shares shall be pledged to the Vendor as a security for the payment of the First Remaining Consideration. The share pledges shall be released upon settlement of the corresponding First Remaining Consideration.

Condition Precedent

All representations, undertakings and warranties given by Rich Come and the Company under the First Agreement shall be true and accurate in all material respects on the First Share Transfer Date and the respective First Loan Transfer Dates.

Completion

Completion of the transfer of the First Sale Shares shall take place on the First Share Transfer Date. Completion of the transfer of the First Shareholder's Loan shall take place on the respective First Loan Transfer Dates.

THE SECOND AGREEMENT

Date:

17 July 2015

Parties:

- (a) High Ascent, an indirect wholly-owned subsidiary of the Company, as purchaser;
- (b) the Vendor, as vendor; and
- (c) the Company, as guarantor.

Assets to be acquired

Pursuant to the Second Agreement, the Vendor has agreed to transfer the Second Sale Shares and the Second Shareholder's Loan to High Ascent.

As at the date of the Second Agreement, Bonserry was owned as to 20% by High Ascent and 80% by the Vendor, respectively. Upon completion of the Second Share Transfer, Bonserry will be owned as to 50% by High Ascent and 50% by the Vendor, respectively and Bonserry will become a joint venture of the Company.

Consideration

The consideration for the Second Sale Shares shall be US\$30 (equivalent to approximately HK\$233) which shall be payable by High Ascent to the Vendor in cash on the Second Share Transfer Date.

The consideration for the Second Shareholder's Loan shall be the sum of US\$77,910,482 and HK\$404,489,188 (equivalent to approximately HK\$1,008,451,244 in aggregate) which shall be payable by High Ascent to the Vendor in the following manner:

- (a) part of the consideration for the Second Shareholder's Loan amounted to US\$14,807,573 and HK\$78,989,428 (equivalent to approximately HK\$193,777,734 in aggregate) shall be payable by High Ascent to the Vendor on the Second Share Transfer Date; and
- (b) the remaining consideration for the Second Shareholder's Loan amounted to US\$63,102,909 and HK\$325,499,760 (equivalent to approximately HK\$814,673,510 in aggregate) (the "**Second Remaining Consideration**") together with interest accrued shall be payable by High Ascent to the Vendor.

Within three years after the Second Share Transfer Date, the Vendor shall (i) provide loans to Bonserry or by other means to settle the payment of the land premium of the Second Project Land by the Second Project Companies; or (ii) in accordance with the First Agreement provide loans to Lyntondale or by other means to settle the payment of the land premium of the First Project Land by the First Project Companies. In such case, the Company shall guarantee and procure High Ascent and/or Rich Come (being the purchaser of the First Agreement) to early repay the Second Remaining Consideration (the "**Second Land Equivalent Payables**"). High Ascent and/or Rich Come shall pay a sum equal to the Second Land Equivalent Payables being part of the Second Remaining Consideration at least 30 Business Days before the due payment date of the land premium.

Without contrary to the above, the Second Remaining Consideration shall be settled on or before predetermined dates within three years from the Second Share Transfer Date.

The consideration of the Second Acquisition was determined after arm's length negotiations between High Ascent and the Vendor, taking into consideration of the current and future operations of Bonserry, Garry and the Second Project Companies. The Group intends to fund the consideration of the Second Acquisition by its internal financial resources.

The Directors are of the view that the consideration of the Second Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Guarantee

The Second Sale Shares shall be pledged to the Vendor as a security for the payment of the Second Remaining Consideration. The share pledges shall be released upon settlement of the corresponding Second Remaining Consideration.

Condition Precedent

All representations, undertakings and warranties given by High Ascent and the Company under the Second Agreement shall be true and accurate in all material respects on the Second Share Transfer Date and the respective Second Loan Transfer Dates.

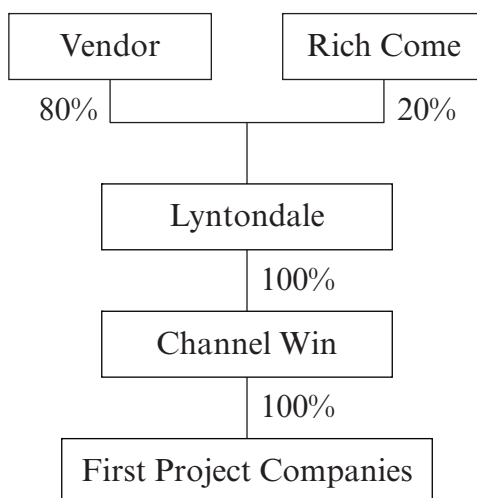
Completion

Completion of the transfer of the Second Sale Shares shall take place on the Second Share Transfer Date. Completion of the transfer of the Second Shareholder's Loan shall take place on the respective Second Loan Transfer Dates.

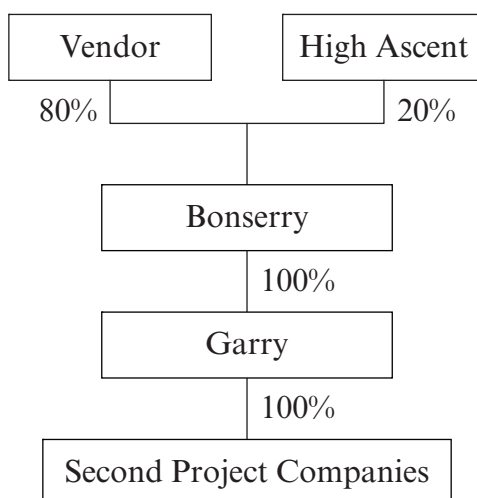
SHAREHOLDING STRUCTURE

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

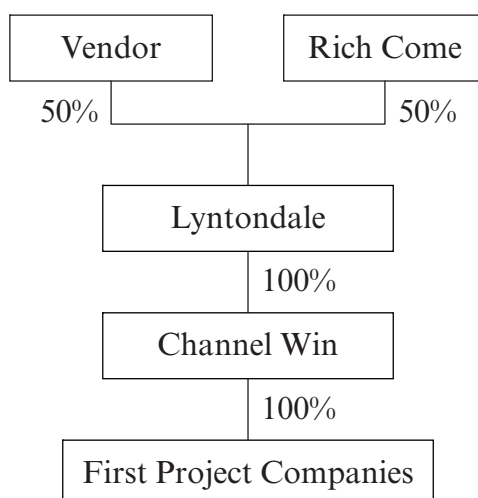
Before completion of the First Share Transfer



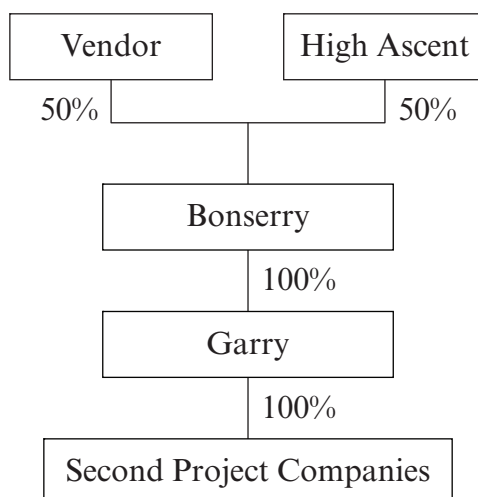
Before completion of the Second Share Transfer



After completion of the First Share Transfer



After completion of the Second Share Transfer



INFORMATION ON THE PROJECT LAND, LYNTONDALE AND BONSERRY

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

Lyntondale

Lyntondale is an investment holding company and its principal activity is to hold the entire issued share capital in 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 2015 are as follows:

	For the year ended 30 June 2015 (unaudited) HK\$	For the year ended 30 June 2014 (unaudited) HK\$
Net loss (before taxation and extraordinary items)	4,449	4,449
Net loss (after taxation and extraordinary items)	4,449	4,449
Net liabilities	22,951	18,502

Lyntondale will become a joint venture of the Company upon completion of the First Share Transfer.

After completion of First Share Transfer, the board of directors of Lyntondale shall comprise six directors, of which Rich Come shall have the right to appoint three directors and the Vendor shall have the right to appoint three directors.

Bonserry

Bonserry is an investment holding company and its principal activity is to hold the entire issued share capital in 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 2015 are as follows:

	For the year ended 30 June 2015 (unaudited) HK\$	For the year ended 30 June 2014 (unaudited) HK\$
Net loss (before taxation and extraordinary items)	13,199	4,449
Net loss (after taxation and extraordinary items)	13,199	4,449
Net liabilities	27,409	14,210

Bonserry will become a joint venture of the Company upon completion of the Second Share Transfer.

After completion of Second Share Transfer, the board of directors of Bonserry shall comprise six directors, of which High Ascent shall have the right to appoint three directors and the Vendor shall have the right to appoint three directors.

REASONS FOR THE ACQUISITION

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 First Acquisition and the Second Acquisition give an opportunity for the Group to increase its stakes in Lyntondale and Bonserry which enhances the Group's participation in property development in Foshan City that 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 consider that the First Agreement and the Second 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 of the First Agreement and the Second Agreement is in the interest of the Company and the Shareholders as a whole.

GENERAL

The principal activity of each of Rich Come and High Ascent is investment holding.

The principal activity of the Vendor is investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, so far as the Directors are aware, save as the Vendor's interest in Lyntondale and Bonserry, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons of the Company as at the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is a contracting party in the First Agreement and the Second Agreement, the First Acquisition and the Second Acquisition form a series of transactions which should be treated as if they were one transaction under Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined in the Listing Rules) on aggregation in respect of the First Acquisition and the Second Acquisition exceeds 5% but is less than 25%, the First Acquisition and the Second Acquisition constitute discloseable transactions of the Company under the Listing Rules and are therefore subject to the reporting and announcement requirements but are exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Bonserry”	Bonserry Investments Limited, a company incorporated in the British Virgin Islands on 19 July 2007 with limited liability
“Business Day”	a day on which banks are generally open for banking business in Hong Kong
“Channel Win”	Channel Win Investment Limited, a company incorporated in Hong Kong on 7 August 2007 with limited liability and is an investment holding company whose principal activity is to hold the entire equity interests in the First Project Companies
“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
“Director(s)”	the director(s) of the Company
“First Acquisition”	the acquisition of the First Sale Shares and the assignment of the First Shareholder’s Loan pursuant to the First Agreement
“First Agreement”	the agreement dated 17 July 2015 entered into between the Company, Rich Come and the Vendor in relation to the First Acquisition
“First Loan Transfer Date(s)”	the dates of transfer of the respective portion of the First Shareholder’s Loan upon full settlement of the respective portion of the consideration for the First Shareholder’s Loan
“First Project Companies”	three wholly foreign owned enterprises established in the PRC on 24 February 2010 by Channel Win namely, Foshan City Xinfeng Real Estate Development Co., Ltd. (佛山市新鋒房地產開發有限公司), Foshan City Xinsheng Real Estate Development Co., Ltd. (佛山市新升房地產開發有限公司) and Foshan City 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 Project Land, developing the First Project Land, and constructing, selling and/or leasing the First Properties

“First Project 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 Properties”	the properties to be developed on the First Project Land
“First Sale Shares”	30 issued ordinary shares, representing 30% of the total issued ordinary shares of Lyntondale as at the date of the First Agreement
“First Shareholder’s Loan”	the sum of US\$94,126,761 and RMB97,267,356 (equivalent to approximately HK\$852,942,124), being the amount due from Lyntondale to the Vendor
“First Share Transfer”	the transfer of the First Sale Shares
“First Share Transfer Date”	24 July 2015
“Garry”	Garry Limited, a company incorporated in Hong Kong on 29 November 2006 with limited liability and is an investment holding company whose principal activity is to hold the entire equity interest in the Second Project Companies
“Group”	the Companies 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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

“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 Acquisition”	the acquisition of the Second Sale Shares and the assignment of the Second Shareholder’s Loan pursuant to the Second Agreement
“Second Agreement”	the agreement dated 17 July 2015 entered into between the Company, High Ascent and the Vendor in relation to the Second Acquisition
“Second Loan Transfer Date(s)”	the dates of transfer of the respective portion of the Second Shareholder’s Loan upon full settlement of the respective portion of the consideration for the Second Shareholder’s Loan
“Second Project Companies”	four wholly foreign owned enterprises established in the PRC on 26 May 2010 by Garry namely, Foshan City Xinjun Real Estate Development Company Limited (佛山市新駿房地產開發有限公司), Foshan City Xinhao Real Estate Development Company Limited (佛山市新昊房地產開發有限公司), Foshan City Xinhui Real Estate Development Company Limited (佛山市新匯房地產開發有限公司) and Foshan City Xinjing Real Estate Development Company Limited (佛山市新景房地產開發有限公司) for the purpose of holding the land use rights of the Second Project Land, developing the Second Project Land, and constructing, selling and/or leasing the Second Properties
“Second Project 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 Properties”	the properties to be developed on the Second Project Land
“Second Sale Shares”	30 issued ordinary shares, representing 30% of the total issued ordinary shares of Bonserry as at the date of the Second Agreement

“Second Shareholder’s Loan”	the sum of US\$77,910,482 and HK\$404,489,188 (equivalent to approximately HK\$1,008,451,244), being the amount due from Bonserry to the Vendor
“Second Share Transfer”	the transfer of the Second Sale Shares
“Second Share Transfer Date”	24 July 2015
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Vendor”	Sun Hung Kai Development (China) Limited, a company incorporated in Hong Kong with limited liability and an independent third party
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, the exchange rates of RMB0.78905 = HK\$1.00 and US\$1.00 = HK\$7.7520 have been used for currency translation. Such exchange rate is for illustration purpose only and does 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 order of the Board
KWG Property Holding Limited
Kong Jian Min
Chairman

Hong Kong, 17 July 2015

As at the date of this announcement, the board of Directors comprises nine Directors, of which Mr. Kong Jian Min (Chairman), Mr. Kong Jian Tao, Mr. Kong Jian Nan, Mr. Li Jian Ming, Mr. Tsui Kam Tim and Mr. He Wei Zhi are executive Directors and Mr. Lee Ka Sze, Carmelo JP, Mr. Tam Chun Fai and Mr. Li Bin Hai are independent non-executive Directors.