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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in KWG Property Holding Limited, you should at once hand this circular to the purchaser, the transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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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

* *For identification purposes only*

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DEFINITIONS

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

“Acquisition”	Acquisition of the Properties pursuant to the terms of the Land Grant Contracts
“Announcement”	an announcement of the Company dated 2 November 2007
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday or Sunday) where banks in the PRC are generally open for business
“Company”	KWG Property Holding Limited, a company incorporated in the Cayman Islands with its Shares listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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 of Chengdu in respect of the Properties
“Latest Practicable Date”	21 November 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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

DEFINITIONS

“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
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	Holder(s) of the Shares
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

LETTER FROM THE BOARD



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)

Executive Directors:

Kong Jian Min

Kong Jian Tao

Kong Jian Nan

Li Jian Ming

Tsui Kam Tim

Registered office:

Cricket Drive

Hutchins Drive

Grand Cayman KY1-1111

Cayman Islands

Independent non-executive Directors:

Lee Ka Sze, Carmelo

Dai Feng

Tam Chun Fai

Principal place of business

in Hong Kong:

Room 6407, 64th Floor

Central Plaza

18 Harbour Road

Wanchai, Hong Kong

23 November 2007

To the Shareholders:

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

The Board announced on 2 November 2007 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 purpose of this circular is to give you details of, among other things, the Transaction.

* For identification purposes only

LETTER FROM THE BOARD

THE ACQUISITION

Date:

27 July 2007

Parties involved in the Land Grant Contracts:

1. The Project Co; and
2. The land bureau of Chengdu is a PRC governmental authority and 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 party and not a connected person 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 Properties. 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.

As at the Latest Practicable Date, the total amount paid for the Properties was RMB2,254,324,377 and only the title of one piece of land, namely 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* has been vested in the Project Co. Title of the remaining Properties will vest in the Project Co upon payment of the balance of the land premium pursuant to the Land Grant Contracts.

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 hotels. 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.

As the consideration will be satisfied by the internal resources of the Group, there will be a decrease in bank and cash balances to the extent the consideration paid. The Acquisition is not expected to have any material effect on the Group's net asset value and earnings.

LETTER FROM THE BOARD

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
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	RMB1,346,361,1005

*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.

LETTER FROM THE BOARD

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.

IMPLICATIONS UNDER THE LISTING RULES

The Acquisition constitutes a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules.

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully
For and on behalf of
KWG PROPERTY HOLDING LIMITED
Kong Jian Min
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, no Directors or chief executive of the Company, save as disclosed below, had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange:

Interests in the Company

Name of Director	Long position/ short position	Nature of interests	Approximate number of shares held <i>(Note 1)</i>	Percentage of shareholding
Kong Jian Min <i>(Notes 2 and 3)</i>	Long Position	Interest of a controlled corporation	1,687,500,000	65.10%
Kong Jian Tao <i>(Notes 2 and 3)</i>	Long Position	Interest of a controlled corporation	1,687,500,000	65.10%
Kong Jian Nan <i>(Notes 2 and 3)</i>	Long Position	Interest of a controlled corporation	1,687,500,000	65.10%

Notes:

- Share(s) of HK\$0.10 each in the capital of the Company.
- Kong Jian Min, Kong Jian Tao and Kong Jian Nan hold 76.5% of issued share capital of Plus Earn Consultants Limited ("Plus Earn"), 15% of issued share capital of Plus Earn and 8.5% of issued share capital of Plus Earn respectively. Therefore, Kong Jian Min, Kong Jian Tao and Kong Jian Nan (collectively, the "Kong Family") are deemed to be interested in 1,612,500,000 shares in the Company through the interest in Plus Earn.

3. Kong Jian Min, Kong Jian Tao and Kong Jian Nan hold 76.5% of issued share capital of Right Rich Consultants Limited (“Right Rich”), 15% of issued share capital of Right Rich and 8.5% of issued share capital of Right Rich respectively. Therefore, the Kong Family are deemed to be interested in 75,000,000 shares in the Company through the interest in Right Rich.

Interests in the associated corporations of the Company

Name of Director	Associated Corporations	Number of shares	Approximate percentage of shareholding in associated corporations
Kong Jian Min	Plus Earn	765	76.50%
Kong Jian Tao	Plus Earn	150	15.00%
Kong Jian Nan	Plus Earn	85	8.50%

None of the Directors or proposed directors is a director or employee of a company which has an interest in the Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO.

3. SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at the Latest Practicable Date, according to the list of substantial shareholders extracted from the website of the Stock Exchange (www.hkex.com.hk), the following companies or persons had an interest or short position in the shares and the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, no other person other than a Director whose interests are disclosed above, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any option in respect of such capital:

Name	Capacity	Number of shares	Percentage of issued share capital
Plus Earn	Beneficial owner	1,612,500,000	62.20%
Kong Jian Min	Interests held by controlled corporation	1,687,500,000	65.10%
SSF Swift Holdings Limited	Beneficial owner	187,500,000	7.20%

Name	Capacity	Number of shares	Percentage of issued share capital
Morgan Stanley Real Estate Special Situations Fund 111, L.P.	Interests held by controlled corporation	187,500,000	7.20%
Morgan Stanley Real Estate Special Situations Fund III-GP, L.L.C.	Interests held by controlled corporation	187,500,000	7.20%
MSRESS III Manager, LLC	Interests held by controlled corporation	187,500,000	7.20%

Notes:

1. Kong Jian Min owns 76.50% interests in Plus Earn and Right Rich. He is deemed to be interested in 1,687,500,000 shares of the Company which were held by Plus Earn and Right Rich.
2. MSRESS III Manager, L.L.C. (“MSRESS”) owns the entire interest in Morgan Stanley Real Estate Special Situations III-GP, L.L.C (“Morgan Stanley Situations GP”). Morgan Stanley Situations GP owns less than 1% interest in Morgan Stanley Real Estate Special Situations Fund III, L.P. (“Morgan Stanley Situations Fund”) which in turn Morgan Stanley Situations Fund owns the entire interest in SSF Swift Holdings Limited (“SSF Swift”). Accordingly, Morgan Stanley Situations Fund and Morgan Stanley Situations GP are deemed to be interested in 187,500,000 shares of the Company which are held by SSF Swift.

4. SERVICE CONTRACTS

Each of Mr. Kong Jian Min, Mr. Kong Jian Tao, Mr. Kong Jian Nan and Mr. Li Jian Ming being the executive Directors has entered into a service contract with the Company for a term of 3 years commencing from 3 July 2007, the date of listing, and Mr. Tsui Kam Tim, being the executive Directors, has entered into a service contract with the Company for a term of 3 years commencing from 7 November 2007. All of these service contracts may be terminated by not less than 3 months’ notice in writing served by either party on the other.

Each of independent non-executive Directors has entered into a service contract with the Company for a term of 1 year commencing from 3 July 2007, the date of listing, which may be terminated by not less than 3 months’ notice in writing served by either party on the other.

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation other than statutory compensation).

5. LITIGATION

No member of the Group was engaged in any litigation or arbitration proceedings of material importance as at the Latest Practicable Date and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

6. COMPETING INTEREST

As at the Latest Practicable Date, in so far as the Directors are aware, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete with the business of the Group, which is required to be disclosed under Rule 8.10 of the Listing Rules.

7. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Cheung Wing Leung, who is a solicitor of Hong Kong.
- (b) The qualified accountant of the Company is Mr. Tsui Kam Tim, who is a member of The Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is at Cricket Square, Hutchins Drive, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in the Hong Kong is at Room 6407, 64th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (d) The Hong Kong branch share registrar and the transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.