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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)**

### **ANNOUNCEMENT**

Reference is made to the announcement made by the Company on 8 October 2007 in relation to the joint venture with respect to the property development in Chengdu.

This announcement is to clarify and provide certain supplemental information to the Announcement in respect of further details of the rights of the shareholders of Gain Right.

Reference is made to the announcement made by KWG Property Holding Limited (the “**Company**”) on 8 October 2007 (the “**Announcement**”) in relation to the joint venture with respect to the property development in Chengdu. This announcement is to clarify and provide certain supplemental information to the Announcement in respect of further details of the rights of the shareholders of Gain Right. Save as otherwise provided, terms used herein shall have the same meanings as used in the Announcement.

Pursuant to the Agreement dated 8 October 2007, (1) the Investors agreed to subscribe the Investor Shares for US\$101,300,420.22 (equivalent to HK\$768,059,786.11) and (2) Prime Way agreed to subscribe 64 ordinary shares in Gain Right. Completion of the Agreement took place on 10 October 2007 and the Investor Shares were issued to the Investors and 64 ordinary shares in Gain Right were issued to Prime Way. The Investor Shares represent 35% of the issued share capital of Gain Right and carry the same rights as the ordinary shares of Gain Right held by Prime Way save that the Investor Shares carry 9% of the voting rights at general meetings of Gain Right. The board of directors of Gain Right comprise 5 directors, of which 3 were nominated and appointed by Prime Way and 2 were nominated and appointed by the Investors.

The Board would like to clarify that although the Investor Shares carry 9% of the voting rights at the general meeting of Gain Right, there are certain matters which require affirmative consent or approval of the Investors and the right to decide such matters has been vested in the board of Gain Right. It was provided under the memorandum and articles of association of Gain Right that the affirmative consent or approval of the majority of the directors of Gain Right shall include at least a director nominated and appointed by the Investors and any decision made by the directors of Gain Right nominated and appointed by Investors in respect of matters set out below shall be deemed to constitute approval by the Investors.

Matters which require affirmative consent or approval of the Investors include but without limitation to the following:

- (a) amendments to the articles of association of Gain Right and its subsidiaries;
- (b) any increase or decrease in the issued share capital or registered capital of Gain Right and its subsidiaries;
- (c) the dissolution of Gain Right and its subsidiaries;
- (d) application for appointment of liquidation, receiver or executor of Gain Right and its subsidiaries;
- (e) placing any properties or assets of Gain Right and its subsidiaries under encumbrances save in the ordinary course of business;
- (f) merger or demerger of Gain Right and its subsidiaries or any change in the organisation structure of the Company and its subsidiaries;
- (g) establishment or closure of any subsidiaries, branches or business entities by Gain Right and its subsidiaries within or outside the PRC;
- (h) initiation or termination of any litigation, arbitration or other legal proceedings in an amount exceeding US\$250,000;
- (i) any transactions entered into between Gain Right and its subsidiaries;
- (j) any acquisition by Gain Right and its subsidiaries save in the ordinary course of business;
- (k) the addition of any additional investor to Prime Way, the Investors, Gain Right and the Company;  
and
- (l) any change in scope of business of Gain Right and its subsidiaries or the Project.

Given that the Investors will have considerable influence in Gain Right through the approval power of the directors nominated and appointed by the Investors, the Stock Exchange has exercised its discretion pursuant to Rule 14A.06 to deem each of the Investors as a connected person of the Company under the Listing Rules. The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules when the Company and/or its subsidiaries were to enter into any transaction with the Investors or its associates.

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

Hong Kong, 22 February 2008

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