



Agile Property Holdings Limited  
雅居樂地產控股有限公司

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 3383)

DISCLOSEABLE TRANSACTION  
ACQUISITION OF A PRC COMPANY

The Directors are pleased to announce that on 8 March 2007, Clear Fortune, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors to acquire 100% equity interest in the Target Company, a local joint venture company with limited liability established in the PRC. The Target Company is set up as an investment holding and trading company in the PRC.

The Target Company has entered into an agreement with the Project Vendors on 7 February 2007 to acquire 100% equity interest in the Project Company. The Project Company is set up as a property investment holding company in the PRC and owns the land use rights in respect of the Property, subject to the rights under the Loan Agreement.

Each of the Project Vendors, the Vendors and their respective ultimate beneficial owners (for those parties which are not individuals) is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates.

The transactions contemplated under the Agreement together with the Project Acquisition constitute discloseable transactions for the Company under the Listing Rules and will be subject to the disclosure requirements as set out in Chapter 14 of the Listing Rules. A circular relating to the transactions contemplated under the Agreement and the Project Acquisition will be dispatched to the Shareholders in due course.

The Directors are pleased to announce that on 8 March 2007, Clear Fortune, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendors for the acquisition of 100% equity interest in the Target Company. The Target Company is set up as an investment holding and trading company in the PRC. Upon completion of the Agreement, the Target Company will become a subsidiary of the Company.

In addition, the Target Company has entered into the Project Acquisition Agreement with the Project Vendors to acquire 100% equity interest in the Project Company, which owns the land use rights of the Property subject to the rights under the Loan Agreement. The Project Company is set up as a property investment holding company in the PRC and owns the land use rights in respect of the Property, subject to the rights under the Loan Agreement.

THE AGREEMENT

Date of the Agreement

8 March 2007

Parties

The Agreement was entered into between:

- (A) Clear Fortune;
- (B) Mr. Chen; and
- (C) Mr. Lu.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiry, each of the Vendors is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates.

The Acquisition

Pursuant to the Agreement, Clear Fortune has agreed to purchase, and Mr. Chen and Mr. Lu have respectively agreed to sell, 51% and 49% of the equity interest in the Target Company, whose principal business activities include investment holding and trading, for the Consideration, to be divided amongst the Vendors according to their existing proportional equity interest in the Target Company.

Under the Agreement, the Vendors have warranted that at Completion, the Target Company will not have material liabilities, other than its obligations and liabilities under the Project Acquisition Agreement.

Consideration

The consideration for the Acquisition amounts to RMB5,000,000 (equivalent to approximately HK\$5,000,000) which will be paid in cash by Clear Fortune to the Vendors at the time described in the paragraph entitled "Completion" below. The Consideration was determined after arms length negotiation between the parties with reference to the amount of the registered capital of the Target Company. The Company and Clear Fortune will utilize their own internal resources, including but not limited to part of the net proceeds from the placing of existing Shares and subscription of new Shares described in the announcement dated 10 November 2006 issued by the Company, to finance the payment of the Consideration by Clear Fortune to the Vendors.

The Target Company was established as a local joint venture company by the Vendors with limited liability in the PRC on 2 February 2007 with a total registered capital of RMB5,000,000. According to the audited financial statements of the Target Company as at 12 February 2007, the net asset value of the Target Company was approximately RMB5,000,000 (equivalent to HK\$5,000,000). The unaudited net profit/loss before and after taxation of the Target Company from 2 February 2007 to and including 12 February 2007 were Nil.

Completion

Completion of the Agreement will take place on the earlier of (i) the date when the relevant Authorities issue the foreign exchange conversion approval for the Consideration to the Vendors; or the eleventh Business Day after the payment of the Consideration by Clear Fortune to the Vendors. Clear Fortune will be required to pay the Consideration within the period of five Business Days after the issue of a completion notice by the Vendors to Clear Fortune and fulfillment of, and conditional upon, amongst other things, the fulfillment of the following Conditions Precedent (which may be waived by Clear Fortune in writing to the Vendors):

- (1) the Vendors and Clear Fortune have duly executed the Agreement and related documents, authorizations and approvals that are necessary for completion of the transactions contemplated in the Agreement and related documents, including the relevant shareholder' resolutions and directors resolutions;
- (2) the Authorities having approved the Acquisition in accordance with the terms of the Agreement and the new Articles of the Target Company ("New Articles") without substantive amendments or comments and having issued a Certificate of Approval showing Clear Fortune's ownership of the entire equity interest in the Target Company ("Certificate of Approval");
- (3) the Authorities having issued a corresponding Business Licence for the Target Company showing that the Target Company has become a wholly foreign-owned enterprise, and the records of the Authorities reflect the transactions contemplated in the Agreement, showing that Clear Fortune as the sole holder of 100% of the registered capital of the Target Company ("New Business Licence");
- (4) Clear Fortune having received the following from the Vendors in respect of the Target Company:
  - (a) Approval letter from the Authorities relating to the Agreement and the New Articles;
  - (b) Certificate of Approval;
  - (c) New Articles;
  - (d) New Business Licence;
  - (e) Registered Capital Verification Report of the Target Company;
  - (f) Real Estate Development Enterprise Qualification Certificate for the Project Company;
  - (g) Report of the auditors on the Target Company;
  - (h) Report of the auditors on the Target Company for the financial period ended 12 February 2007;
- (5) the Agreement and all related documents having been authorised, executed and delivered, and constituted valid and legally binding obligations on the parties thereto;
- (6) the Target Company legally owns 100% of the equity interest in the Project Company and the Project Company is the owner of the land use rights and project development rights to the Property;
- (7) no events of force majeure or material adverse change having occurred at all times up to and including Completion;

- (8) the Vendors having not breached any provisions of the Agreement at all times up to and including Completion; and
- (9) all warranties given by the Vendors under the Agreement remaining true, accurate, complete and not misleading at all times up to and including Completion.

If the Conditions Precedent are not fulfilled within one hundred and twenty (120) days after the date of signing of the Agreement, then Clear Fortune may terminate the Agreement, without prejudice to any claims any of the parties to the Agreement may have for antecedent breaches. Completion is expected to take place on or before 30 April 2007.

The Project Acquisition

On 7 February 2007, the Target Company has entered into the Project Acquisition Agreement with the Project Vendors, pursuant to which the Target Company has agreed to purchase, and Zhejiang Jinchang, Beihai Jinchang and Ms. Xu have respectively agreed to sell, 40%, 30% and 30% of the equity interest in the Project Company, whose principal business activities include property development, operation and leasing, and which owns the land use rights of the Property subject to the rights under the Loan Agreement, for the Project Consideration, to be divided amongst the Project Vendors according to their existing proportional equity interest in the Project Company. To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiry, each of the Project Vendors and their respective ultimate beneficial owners (for those Project Vendors which are not individuals) is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates.

Under the Project Acquisition Agreement, the Project Vendors have agreed that at completion of the Project Acquisition, the Project Company will have a readily available cash balance of not less than RMB100,000,000 without any encumbrance on it ("Minimum Balance"). To ensure that the Project Company will have the Minimum Balance in its bank account at Completion, the Project Company will set up an escrow account ("Escrow Account") and the Project Company will deposit a sum not less than the Minimum Balance into the Escrow Account. At the same time and to protect the interest of the Target Company and to ensure that the Minimum Balance is in the Escrow Account at Completion, Zhejiang Jinchang will set up a new bank account jointly controlled by Zhejiang Jinchang and the Target Company ("Joint Control Account") with the same bank where the Escrow Account is established.

At Completion, the Target Company will deposit part of the Consideration equal to RMB500,000,000 into the Joint Control Account, and the Target Company will release its joint control over the Joint Control Account only when the Project Vendors have duly delivered exclusive control of the Escrow Account containing the Minimum Balance without encumbrance over to the Target Company.

Project Consideration

The consideration for the Project Acquisition amounts to RMB988,824,643 (equivalent to approximately HK\$988,824,643) which will be paid in cash by the Target Company to the Project Vendors no later than completion of the Project Acquisition, which is expected to take place after Completion. The Project Consideration was determined after arms length negotiation between the parties with reference to the market price of nearby land and properties and the result of the financial due diligence report, legal due diligence report on the Project Company and the Property and independent valuation on the Property and the Project Company issued by a firm of PRC valuers on 22 January 2007, valuing the Property at RMB1,903,095,373.88 (approximately HK\$1,903,095,373.88) and the Project Company at RMB1,245,800,000 (approximately HK\$1,245,800,000), after taking into account the valuation of the Property and liabilities of the Project Company at RMB657,295,373.88 (approximately HK\$657,295,373.88), and giving a discount.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiry, each of the firm of PRC valuers and its ultimate beneficial owners is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates.

The Project Company was established as a local joint venture company by the Project Vendors with limited liability in Shanghai, the PRC on 27 November 2002 with a total registered capital of RMB30,000,000. According to the unaudited financial statements of the Project Company as at 31 December 2006, the net asset value of the Project Company was approximately RMB30,000,000 (equivalent to HK\$30,000,000). The unaudited net profit/loss before and after taxation of the Project Company from 27 November 2002 to and including 31 December 2006 were Nil.

Source of Funding for the Project Acquisition

After Completion, the Company and Clear Fortune will utilize their own internal resources, including but not limited to part of the net proceeds from the placing of existing Shares and subscription of new Shares described in the announcement dated 10 November 2006 issued by the Company, to finance the payment of the Project Consideration by the Target Company to the Project Vendors.

Completion of the Project Acquisition Agreement

Completion of the Project Acquisition Agreement will take place after Completion and within the period of five Business Days after issue of a completion notice by the Project Vendors to the Target Company and fulfillment of, and conditional upon, amongst other things, the fulfillment of, the following Conditions Precedent (which may be waived by the Target Company in writing to the Project Vendors):

- (1) the Project Vendors and Zhejiang Huanyu Jianshe Group (the contractors engaged to undertake various preliminary foundation and construction works on the Property) having executed the Project Construction Costs Clearance Agreement, an agreement which will set out, amongst other things, the settlement and clearance of all costs and expenses charged by Zhejiang Huanyu Jianshe Group for various preliminary foundation and construction works on the Property;
- (2) the Project Vendors having executed all authorizations and approvals of the Project Company that are necessary for completion of the transactions contemplated in the Project Acquisition Agreement and related documents, including the relevant shareholders' resolutions and directors resolutions;
- (3) the Authorities having approved the Project Acquisition on the terms set out in the Project Acquisition Agreement and the Authorities having issued a corresponding Business Licence for the Project Company showing the Target Company as the sole holder of 100% of the registered capital of the Project Company ("Project Business Licence");

- (4)

the Target Company having received the following from the Project Vendors in respect of the Project Company:

(i)

Project Business Licence;

(ii)

Registered Capital Verification Report of the Project Company;

(iii)

Real Estate Development Enterprise Qualification Certificate for the Project Company;

(iv)

Auditors’ Report on the Project Company;

(v)

Auditors’ Report on the Project Company for the financial period ended 12 January 2007;

(vi)

Confirmation from Zhejiang Jinchang that as at 12 January 2007, it is indebted to the Project Company of an amount equal to RMB107,106,355.73; and

(vii)

Confirmation from Zhejiang Huanyu Jianshe Group that as at 12 January 2007, the Company has incurred RMB34,500,000 costs in construction and foundation works;
- (5)

the Project Acquisition Agreement and all related documents having been authorised, executed and delivered, and constitute valid and legally binding obligations on the parties thereto;
- (6)

no events of force majeure or material adverse change having occurred at all times up to and including completion of the Project Acquisition Agreement; and
- (7)

the Project Vendors have not breached any provisions of the Project Acquisition Agreement at all times up to and including completion of the Project Acquisition Agreement.

Under the Loan Agreement, consent of China Construction Bank Corporation (Shanghai Zhabei Branch) is required for any change of control of the Project Company, breach of which would result in the loan (principal and interest all inclusive) borrowed by the Project Company under the Loan Agreement to become immediately due and payable to China Construction Bank Corporation (Shanghai Zhabei Branch).

If the conditions precedent to the Project Acquisition Agreement are not fulfilled within one hundred and twenty (120) days after the date of signing of the Project Acquisition Agreement, then the Target Company may terminate the Project Acquisition Agreement, without prejudice to any claims any of the parties to the Project Acquisition Agreement may have for antecedent breaches. Completion of the Project Acquisition Agreement is expected to take place on or before 31 May 2007, but after Completion.

Reasons for the Acquisition and the Project Acquisition

The Group is one of the leading property development companies in the PRC. The Group focuses on the development and sale of high-quality private residential properties in the PRC and engages primarily in the development of large-scale property projects comprising multiple phases and offers a broad range of products, including low-density units (comprising stand-alone houses, semi-detached houses and townhouses), duplexes and apartments which appeal to customers of varying income levels. The majority of the Group’s products target middle and upper-middle class purchasers, including white collar workers, mid-level and senior-level managers, entrepreneurs and civil servants. In addition to residential properties, the Group develops commercial properties, including retail shops complementary to the residential developments of the Group as well as commercial complexes in strategic locations. The Group also engages in ancillary property-related businesses such as property management and decoration service.

The Target Company was established as a local joint venture company by the Vendors with limited liability in the PRC on 2 February 2007 and the principal business activities of the Target Company include investment holding and trading. The Target Company has entered into the Project Acquisition Agreement with the Project Vendors on 7 February 2007 and on its completion, the Project Company will become a wholly-owned subsidiary of the Target Company.

The Project Company was established as a local joint venture company by the Project Vendors with limited liability in Shanghai, the PRC on 27 November 2002 and the principal business activities of the Project Company include property development, operation and leasing, and owns the land use rights of the Property subject to the rights under the Loan Agreement.

The Property is situate at 中國上海市黃浦區人民廣場街道14街坊1/1丘 (Qiu 1/1, No. 14 Renmin Guangchang Jiedao, Huangpu District, Shanghai City, the PRC\*), with a total site area of 13,192 square metres and a total gross floor area of 114,358 square metres. Under the land use rights agreement relating to the Property in favour of the Project Company, the term of the land use rights is fifty years from 13 November 1999 to 12 November 2049. The Property is located in one of the busiest commercial centres in Shanghai, the PRC, on the north-western side of the Nanjing Road pedestrian walkway in Shanghai, better known as “The Top Commercial Street in China”. On the eastern side of the Property, it is connected to Xicang Road, and on its southern side, Fengyang Road. The Property is only about 300 metres from the Shanghai People’s Government Offices. Cultural buildings such as The People’s Square, Shanghai Museum, Shanghai Big Theatre and Daguanming Cinema are all within walking distances from the Property, and management believes that this is an invaluable piece of property with unlimited business potential. The Property is held by the Project Company subject to the rights of China Construction Bank Corporation (Shanghai Zhabei Branch) under the Loan Agreement.

After completion of the Acquisition and the Project Acquisition, the Company intends to construct an elegant main building of around 137.8 metres and an ancillary building on the Property, combining commercial areas, office and hotel into one mega multi-purpose development.

The Directors consider that the Acquisition contemplated under the Agreement is in line with the Group’s principal activities and believe the Acquisition and the Project Acquisition will increase the Group’s competitiveness in the property development market by providing the Group with a good opportunity to strengthen and diversify its business to other parts of the PRC.

The Directors believe that the terms of the Agreement are made on an arm’s length basis and on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interest of the Shareholders as a whole.

GENERAL

Based on the Consideration of the Acquisition of RMB5,000,000 (approximately HK\$5,000,000) and the possible obligations and liabilities of the Target Company, which will become a subsidiary of the Company on Completion, for payment of the Project Consideration for the Project Acquisition at RMB988,824,643 (approximately HK\$988,824,643), the fair market value of the Property owned by the Target Company with reference to an independent valuation on the Property and the Project Company issued by a firm of PRC valuers on 22 January 2007, valuing the Property at RMB1,903,095,373.88 (approximately HK\$1,903,095,373.88) and the total assets of the Company based on the unaudited consolidated accounts of the Company for the six months ended 30 June 2006, the Agreement (when taken together with the payment obligations of the Project Company under the Project Acquisition Agreement) constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular containing, among other things, further information on the Agreement and the Project Acquisition will be sent to the Shareholders as soon as practicable within twenty-one days after the date of this announcement in accordance with the requirements of the Listing Rules.

DEFINITIONS

|                   |  |
|-------------------|--|
| “Acquisition”     | the acquisition of 100% equity interest in the Target Company by Clear Fortune from the Vendors for the Consideration  |
| “Agreement”       | the agreement dated 8 March 2007 between Clear Fortune as the purchaser and the Vendors as vendors for the Acquisition, including any subsequent amendments and supplements agreed between the parties thereto   |
| “associate”       | has the meaning ascribed to it under the Listing Rules   |
| “Authorities”     | any public, regulatory, governmental agency, authority or any court at the national, provincial, municipal or local level of the PRC, including but not limited to the Ministry of Commerce of the PRC and any other governmental authorities having competent jurisdiction to approve the transactions contemplated under the Agreement, the Project Acquisition Agreement, the New Articles and the New Project Articles   |
| “Beihai Jinchang” | 北海金昌房地產開發有限公司 (Beihai Jinchang Real Estate Development Company Limited*), a company incorporated in the PRC with limited liability and a subsidiary of Zhejiang Jinchang, each of it and its ultimate beneficial owner is, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates |
| “Board”           | the board of Directors   |

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|---------------------------------|--|
| “Business Day”                  | a calendar day other than Saturday or Sunday on which banks in Hong Kong and Shanghai, the PRC, are open for general business and can also carry on inter-bank deposit and payment businesses  |
| “Certificate of Approval”       | has the meaning ascribed to it in this announcement  |
| “Clear Fortune”                 | Clear Fortune Investments Limited, a company incorporated in the British Virgin Islands with limited liability on 25 January 2006 and is a wholly-owned subsidiary of the Company  |
| “Company”                       | Agile Property Holdings Limited (雅居樂地產控股有限公司), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange   |
| “Completion”                    | completion of the transactions contemplated under the Agreement  |
| “Consideration”                 | RMB5,000,000 (equivalent to approximately HK\$5,000,000), being the consideration for the Acquisition  |
| “Directors”                     | the directors of the Company   |
| “Escrow Account”                | has the meaning ascribed to it in this announcement  |
| “GFA”                           | gross floor area   |
| “Group”                         | the Company and its subsidiaries   |
| “HK\$”                          | Hong Kong Dollar, the legal currency of the Hong Kong Special Administrative Region of the PRC   |
| “Hong Kong”                     | The Hong Kong Special Administrative Region of the PRC   |
| “Joint Control Account”         | has the meaning ascribed to it in this announcement  |
| “Listing Rules”                 | the Rules Governing the Listing of Securities on the Stock Exchange, including any subsequent amendments and supplements thereto   |
| “Loan Agreement”                | the loan agreement (No. 519127305001) in respect of the Property dated 21 February 2005 between the Project Company and China Construction Bank Corporation (Shanghai Zhabei Branch) for a loan facility of RMB250,000,000 for a term of around three years from 25 February 2005 to 20 February 2008  |
| “Minimum Balance”               | has the meaning ascribed to it in this announcement  |
| “Mr. Chen”                      | 陳清維先生 (Mr. Chen Qingwei*), a PRC national and to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates   |
| “Mr. Lu”                        | 陸贊初先生 (Mr. Lu Zanchu*), a PRC national and to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates  |
| “Ms. Xu”                        | 徐小珍女士 (Madam Xu Xiaozhen*), a PRC national and, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates   |
| “New Articles”                  | has the meaning ascribed to it in this announcement  |
| “New Business Licence”          | has the meaning ascribed to it in this announcement  |
| “PRC”                           | the People’s Republic of China   |
| “Project Acquisition”           | the acquisition of 100% equity interest in the Project Company by the Target Company from the Project Vendors for the Project Consideration in accordance with the Project Acquisition Agreement   |
| “Project Acquisition Agreement” | the agreement dated 7 February 2007 between the Target Company as the purchaser and the Project Vendors as vendors for the Project Acquisition including any subsequent amendments and supplements agreed between the parties thereto  |
| “Project Business Licence”      | has the meaning ascribed to it in this announcement  |
| “Project Company”               | 上海金昌房地產開發有限公司 (Shanghai Jinchang Real Estate Development Company Limited*), a company established in the PRC with limited liability and currently held by Zhejiang Jinchang, Beihai Jinchang and Ms. Xu in the proportion of 40%, 30% and 30% respectively   |
| “Project Consideration”         | RMB988,824,643 (equivalent to approximately HK\$988,824,643), being the consideration for the Project Acquisition  |
| “Project Vendors”               | Zhejiang Jinchang, Beihai Jinchang and Ms. Xu  |
| “Property”                      | the property situate at 中國上海市黃浦區人民廣場街道14街坊1/1丘 (Qiu 1/1, No. 14 Renmin Guangchang Jiedao, Huangpu District, Shanghai City, the PRC*)   |
| “RMB”                           | Renminbi, the legal currency of the PRC  |
| “Shareholders”                  | shareholders of the Company  |
| “Stock Exchange”                | The Stock Exchange of Hong Kong Limited  |
| “Target Company”                | 中山市雅豐貿易投資有限公司 (Zhongshan Yafeng Trading Investment Company Limited*), a company established in the PRC with limited liability and currently held by Mr. Chen and Mr. Lu in the proportion of 51% and 49% respectively  |
| “Vendors”                       | Mr. Chen and Mr. Lu  |
| “Zhejiang Jinchang”             | 浙江金昌房地產集團有限公司 (Zhejiang Jinchang Real Estate Group Company Limited*), a company incorporated in the PRC with limited liability and each of it and its ultimate beneficial owner is, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, is an independent third party who is not connected with any promoters, directors, supervisors, chief executive or substantial shareholders of the Company or its subsidiaries or their respective associates |

“%”  
per cent.

Unless otherwise specified in this announcement, amounts denominated in RMB has been translated for the purpose of illustration only, into HK\$ at an exchange rate of RMB1.00 – HK\$1.00.

As of the date of this announcement, the Board comprises Mr. Chen Zhuo Lin (Chairman), Mr. Chan Cheuk Yin (Vice-Chairman and Co-President), Ms. Luk Sin Fong, Fion (Vice-Chairlady and Co-President), Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam, who are all executive Directors; and Mr. Cheng Hon Kwan, Mr. Kwong Che Keung, Gordon and Mr. Cheung Wing Yui who are independent non-executive Directors.

Hong Kong, 8 March 2007

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for identification purposes only

By Order of the Board

Agile Property Holdings Limited

WAI Ching Sum

Company Secretary