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廣州富力地產股份有限公司
GUANGZHOU R&F PROPERTIES CO., LTD.

GUANGZHOU R&F PROPERTIES CO., LTD.

廣州富力地產股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2777)



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 TRANSACTION

PROVISION OF FINANCIAL ASSISTANCE TO AN AFFILIATED COMPANY AND DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

OFFSHORE GUARANTEE

On 29 June 2011, R&F HK, a wholly-owned subsidiary of R&F, and KWG each provided an Offshore Guarantee on a joint and several basis in respect of a HK\$1.4 billion term loan under the Offshore Facility Agreement made available by the Offshore Lenders to Hines Shanghai, a jointly-controlled entity which is owned as to 50% by each of R&F and KWG. Further, subject to the approval of SAFE, R&F will also provide an Offshore Guarantee in respect of the Offshore Facility.

ONSHORE GUARANTEE

On 29 June 2011, R&F and KWG each provided an Onshore Guarantee on a joint and several basis in respect of a RMB1.0 billion (equivalent to approximately HK\$1,203,137,783) project development loan under the Onshore Facility Agreement made available by the Onshore Lenders to Shanghai Yuecheng, a jointly-controlled entity which is owned as to 70% by Hines Shanghai and 15% by each of Shanghai KWG Real Estate Development Co., Ltd. (上海合景房地產開發有限公司), a wholly-owned subsidiary of KWG, and Shanghai R&F Real Estate Development Co., Ltd. (上海富力房地產開發有限公司), a wholly-owned subsidiary of R&F.

The Offshore Guarantee and the Onshore Guarantee form a series of transactions which should be treated as if they were one transaction under Rule 14.22 of the Listing Rules. Upon aggregation, the provision of the Guarantees constitutes a discloseable transaction for each of R&F and KWG under the Listing Rules as the applicable percentage ratios as set out in the Listing Rules represented by the amounts of the Guarantees in aggregation exceed 5% but less than 25%, and the provision of the Guarantees is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Offshore Facility Agreement includes a condition imposing specific performance obligations on each of Mr. Li and Mr. Kong, the controlling shareholder of R&F and KWG, respectively. Pursuant to Rule 13.18 of the Listing Rules, each of R&F and KWG has a general disclosure obligation as to the Offshore Facility.

(A) OFFSHORE GUARANTEE

On 29 June 2011, R&F HK, a wholly-owned subsidiary of R&F, and KWG each provided an Offshore Guarantee on a joint and several basis in respect of a HK\$1.4 billion term loan under the Offshore Facility Agreement made available by the Offshore Lenders to Hines Shanghai, a jointly-controlled entity which is owned as to 50% by each of R&F and KWG. Further, subject to the approval of SAFE, R&F will also provide an Offshore Guarantee in respect of the Offshore Facility. The Offshore Facility has a term of 36 months commencing from the date of the Offshore Facility Agreement. No fee or commission is payable by Hines Shanghai to the Offshore Guarantors for the provision of Offshore Guarantee.

To the best of the knowledge, information and belief of the directors of R&F and KWG, having made all reasonable enquiry, R&F together with R&F HK, KWG and their respective ultimate beneficial owners are independent of, and not connected with, each other, and the Offshore Lenders are third parties independent of and not connected with each of R&F, KWG or any of their respective connected persons.

(B) ONSHORE GUARANTEE

On 29 June 2011, R&F and KWG each provided an Onshore Guarantee on a joint and several basis in respect of a RMB1.0 billion (equivalent to approximately HK\$1,203,137,783) project development loan under the Onshore Facility Agreement made available by the Onshore Lenders to Shanghai Yuecheng, a jointly-controlled entity which is owned as to 70% by Hines Shanghai and 15% by each of Shanghai KWG Real Estate Development Co., Ltd. (上海合景房地產開發有限公司), a wholly-owned subsidiary of KWG, and Shanghai R&F Real Estate Development Co., Ltd. (上海富力房地產開發有限公司), a wholly-owned subsidiary of R&F. The Onshore Facility has a term of 36 months commencing from the date of the first drawdown of the Onshore Facility. No fee or commission is payable by Shanghai Yuecheng to the Onshore Guarantors for the provision of Onshore Guarantee.

To the best of the knowledge, information and belief of the directors of R&F and KWG, having made all reasonable enquiry, the Onshore Lenders are third parties independent of and not connected with each of R&F, KWG or any of their respective connected persons.

REASONS FOR THE PROVISION OF THE FINANCIAL ASSISTANCE

Hines Shanghai is an investment holding company having 70% interest in Shanghai Yuecheng and Shanghai Yuecheng is principally engaged in property development in the PRC. To facilitate the development of the Project, Hines Shanghai and Shanghai Yuecheng obtained the Facilities from the Lenders, and the Guarantees provided by the Guarantors will enable

Hines Shanghai and Shanghai Yuecheng to obtain necessary funding for the Project, details of the Project are set out in the joint announcements of R&F and KWG dated 5 November 2010 and 20 January 2011.

The Facilities are provided by licensed banks in Hong Kong and the PRC on normal commercial terms at an interest rate which is comparable to the prevailing market rate in Hong Kong and the PRC. Given that the terms of the Guarantees are similar to those required by other banks and reflect fair and normal commercial practice in the banking industry in Hong Kong and the PRC, the respective board of directors of R&F and KWG consider the terms of the Guarantees to be on normal commercial terms, fair and reasonable and in the interest of R&F and KWG and their respective shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The Offshore Guarantee and the Onshore Guarantee form a series of transactions which should be treated as if they were one transaction under Rule 14.22 of the Listing Rules. The Guarantees, when aggregated, amount to approximately HK\$2,603,137,783. Upon aggregation, the provision of the Guarantees constitutes a discloseable transaction for each of R&F and KWG under the Listing Rules as the applicable percentage ratios as set out in the Listing Rules represented by the amounts of the Guarantees in aggregation exceed 5% but less than 25%, and the provision of the Guarantees is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

The Offshore Facility Agreement includes a condition imposing specific performance obligations on each of Mr. Li and Mr. Kong, the controlling shareholder of R&F and KWG, respectively. Mr. Li and Mr. Kong are interested in approximately 33.21% and 59.40% of the issued share capital of R&F and KWG, respectively, as at the date of the Offshore Facility Agreement. It will be an event of default in the event that (a) Mr. Li holds directly or indirectly an aggregate beneficial ownership of less than 30% in the shares of and interest in R&F; and/or (b) Mr. Kong (i) holds directly or indirectly an aggregate beneficial ownership of less than 30% in the shares of and interest in KWG; (ii) ceases to be directly or indirectly the single largest shareholder of KWG; or (iii) ceases to exercise or to be entitled to exercise management control over KWG, and in such event (amongst other things), the Offshore Facility Agreement may be terminated by the Offshore Lenders and the Offshore Facility may become immediately due and repayable.

Each of R&F and KWG shall continue to make relevant disclosure in its subsequent interim and annual reports pursuant to Rule 13.21 of the Listing Rules for as long as circumstances giving rise to the obligation under Rule 13.18 of the Listing Rules continue to exist.

GENERAL

R&F is principally engaged in property development in the PRC. KWG is principally engaged in property development, property investment, hotel operation and property management service provision activities in the PRC.

The Offshore Lenders and the Onshore Lenders are commercial banks in Hong Kong and the PRC, respectively, and provide a variety of financial products and services to corporate and personal banking customers.

DEFINITIONS

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

“Facilities”	the Offshore Facility and the Onshore Facility
“Guarantees”	the Offshore Guarantee and the Onshore Guarantee
“Guarantors”	the Offshore Guarantors and the Onshore Guarantors
“Hines Shanghai”	Hines Shanghai New Jiangwan Development Co., Ltd., a company incorporated in the Cayman Islands and a jointly-controlled entity which is owned as to 50% by each of R&F and KWG
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KWG”	KWG Property Holding Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Lenders”	the Offshore Lenders and the Onshore Lenders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Kong”	Mr. Kong Jian Min, the controlling shareholder of KWG
“Mr. Li”	Mr. Li Sze Lim, the controlling shareholder of R&F
“Offshore Facility”	the loan facility in the principal amount of HK\$1.4 billion extended by the Offshore Lenders to Hines Shanghai
“Offshore Facility Agreement”	the facility agreement dated 29 June 2011 entered into among Hines Shanghai, R&F, R&F HK, KWG and the Offshore Lenders in relation to the Offshore Facility
“Offshore Guarantee”	the guarantee given by each of R&F HK and KWG and to be given by R&F, subject to the approval of SAFE, under the Offshore Facility Agreement
“Offshore Guarantors”	R&F HK, KWG and subject to the approval of SAFE, R&F
“Offshore Lenders”	The Bank of East Asia, Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank (Hong Kong) Limited
“Onshore Facility”	the loan facility in the principal amount of RMB1.0 billion extended by the Onshore Lenders to Shanghai Yuecheng
“Onshore Facility Agreement”	the facility agreement dated 29 June 2011 entered into among Shanghai Yuecheng, R&F, KWG and the Onshore Lenders in relation to the Onshore Facility

“Onshore Guarantee”	the guarantee given by each of R&F and KWG under the Onshore Facility Agreement
“Onshore Guarantors”	R&F and KWG
“Onshore Lenders”	The Hongkong and Shanghai Banking (China) Corporation Limited, Standard Chartered Bank (China) Limited and The Bank of East Asia (China) Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Project”	the property development project in Shanghai, details of which are set out in the joint announcements of R&F and KWG dated 5 November 2010 and 20 January 2011
“R&F”	Guangzhou R&F Properties Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the H-shares of which are listed on the main board of the Stock Exchange
“R&F HK”	R&F Properties (HK) Company Limited, a wholly-owned subsidiary of R&F
“RMB”	Renminbi, the lawful currency of the PRC
“SAFE”	PRC State Administration of Foreign Exchange (中華人民共和國國家外匯管理局)
“Shanghai Yuecheng”	Shanghai Chengtou Yuecheng Real Estate Company Limited (上海城投悅城置業有限公司), a limited liability company incorporated in the PRC, and a jointly-controlled entity which is owned as to 70% by Hines Shanghai and 15% by each of Shanghai KWG Real Estate Development Co., Ltd. (上海合景房地產開發有限公司), a wholly-owned subsidiary of KWG, and Shanghai R&F Real Estate Development Co., Ltd. (上海富力房地產開發有限公司), a wholly-owned subsidiary of R&F
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00 = RMB0.83116.

By order of the Board
Guangzhou R&F Properties Co., Ltd.
Li Sze Lim
Chairman

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

Hong Kong, 29 June 2011.

As at the date of this joint announcement, the executive directors of R&F are Mr. Li Sze Lim, Mr. Zhang Li, Mr. Lu Jing and Mr. Zhou Yaonan, and the non-executive directors of R&F are Ms. Zhang Lin and Ms. Li Helen, and the independent non-executive directors of R&F are Mr. Huang Kaiwen, Mr. Dai Feng and Mr. Lai Ming, Joseph.

As at the date of this joint announcement, the executive directors of KWG are Mr. Kong Jian Min, Mr. Kong Jian Tao, Mr. Kong Jian Nan, Mr. Li Jian Min, Mr. Tsui Kam Tim, Mr. He Wei Zhi and Mr. Yu Yao Sheng; and the independent non-executive directors of KWG are Mr. Dai Feng, Mr. Lee Ka Sze, Carmelo and Mr. Tam Chun Fai.

** For identification purposes only*