

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company and its management, as well as financial statements. No public offer of securities is to be made by the Company in the United States.



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)

PROPOSED ISSUE OF SENIOR NOTES

The Board announces that the Company proposes to conduct an international offering of guaranteed U.S. Dollar denominated senior fixed rate notes.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, the interest rates, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that Goldman Sachs, HSBC, Morgan Stanley, Standard Chartered Bank, UBS, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement. The Company intends to use the net proceeds from the Proposed Notes Issue to refinance existing debt and to finance existing and new projects. The Company may adjust its development plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Board announces that the Company proposes to conduct an international offering of guaranteed U.S. Dollar denominated senior fixed rate notes.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, the interest rates, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that Goldman Sachs, HSBC, Morgan Stanley, Standard Chartered Bank, UBS, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement.

The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

Reasons for the Proposed Notes Issue

The Group is a large-scale PRC property developer with a leadership position in Guangzhou and an established presence in Suzhou, Chengdu, Beijing, Tianjin, Shanghai, Nanning, Hangzhou and Hainan Province. The Group focuses on mid- to high-end residential property developments with distinctive characteristics. To diversify the Group's earnings mix, the Group also develops commercial properties in prime locations as long-term investments, including office buildings, shopping malls, serviced apartments and hotels. The Group commenced operation of its first office property, International Finance Place, in August 2007. In September 2009, the Group opened its first hotel, Four Points by Sheraton Guangzhou, Dongpu, in Guangzhou, followed by the Sheraton Guangzhou Huadu Resort in November 2011. The Group developed the first W Hotel in China, the W Hotel in Guangzhou, which officially commenced operations in May 2013. The Group is planning to develop 13 additional high-end hotels and nine high-end shopping malls in various cities, including Guangzhou, Suzhou, Chengdu, Shanghai, Beijing and Nanning, as well as in Hainan Province. The Group has engaged internationally renowned hotel operators, such as affiliates of the Starwood

Hotels & Resorts Worldwide, Inc. and Hyatt International Corporation, to manage its hotels. The Group believes its investment properties and hotels will help to further strengthen its brand name. The Group also engages in property-related businesses such as property management for residential and commercial properties. The Directors also consider that the Proposed Notes Issue will strengthen the financial position of the Company and further extend the Company's international profile and improve its ability to access the international capital markets to support the growth of the Group in the future.

The Company intends to use the net proceeds from the Proposed Notes Issue to refinance existing debt and to finance existing and new projects. The Company may adjust its development plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

Recent Developments of the Group

New Projects Held for Future Development

Subsequent to 31 December 2013, the Group acquired certain parcels of land as set forth in the table below:

Location	Attributable interest (%)	Number of Land Parcels	Site Area (sq.m.)	Total Planned GFA (sq.m.)	Attributable maximum allowed plot ratio (sq.m.)	Attributable land cost (RMB in million)	Type
Haizhu District, Guangzhou (Guangzhou Pazhou Project) ⁽¹⁾	50	1	13,444	100,830	50,415	227	Commercial
Tianhe District, Guangzhou (Guangzhou Finance City Project) ⁽²⁾	33	1	28,310	309,864	102,255	1,253	Commercial
Hangzhou (Hangzhou Science City Project III) ⁽²⁾⁽³⁾	100	1	40,918	106,387	106,387	734	Residential
Tongzhou District, Beijing (Beijing Tongzhou Project) ⁽²⁾	100	1	17,086	128,300	128,300	1,617	Commercial
Changping District, Beijing (Beijing Changping Project)	33	1	131,680	276,965	91,398	713	Residential
Tongzhou District, Beijing (Beijing Tongzhou Project II) ⁽²⁾⁽³⁾	100	1	17,771	124,600	124,600	1,429	Commercial
Wuxiang New District, Nanning (Nanning Top of World) ⁽²⁾⁽³⁾	100	1	197,770	558,065	558,065	786	Mixed-use
Total		<u>7</u>	<u>446,979</u>	<u>1,605,011</u>	<u>1,161,420</u>	<u>6,759</u>	

Notes:

- (1) The development of this project was not commenced within the time stipulated in the relevant land grant contracts when the Group acquired the equity interests of its project company but the Group has commenced development as of the date of this announcement.
- (2) The Group has not obtained all of the relevant land use rights certificates for these projects as of the date of this announcement.
- (3) The Group has not paid up all the land premium for projects as of the date of this announcement.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“GFA”	gross floor area
“Goldman Sachs”	Goldman Sachs (Asia) L.L.C., one of the joint bookrunners and joint lead managers of the Proposed Notes Issue
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, one of the joint bookrunners and joint lead managers of the Proposed Notes Issue
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint bookrunners and joint lead managers of the Proposed Notes Issue
“Notes”	the guaranteed U.S. Dollar denominated senior fixed rate notes to be issued by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company

“Purchase Agreement”	the agreement proposed to be entered into between, among others, Goldman Sachs, HSBC, Morgan Stanley, Standard Chartered Bank, UBS, the Company and the Subsidiary Guarantors in relation to the Proposed Notes Issue
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Act”	the United States Securities Act of 1933, as amended
“sq.m.”	square metres
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint bookrunners and joint lead managers of the Proposed Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Notes
“UBS”	UBS AG, Hong Kong Branch, one of the joint bookrunners and joint lead managers of the Proposed Notes Issue
“United States”	the United States of America
“U.S. Dollars”	United States dollar(s), the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 29 July 2014

As at the date of this announcement, the Board 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.