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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 THE CORPORATE GUARANTEE

PROVISION OF THE CORPORATE GUARANTEE

The Board announces that on 28 March 2017, the Company entered into the Corporate Guarantee in favour of the Lender to provide guarantee for 25% of the repayment obligations of the Borrower (which is indirectly owned as to 25% by the Company) under the Fixed Assets Loan, which is in proportion to the Company's 25% indirect equity interest in the Borrower. The Fixed Assets Loan has a principal aggregate amount of up to RMB3,000 million and will be used by the Borrower to finance the development cost of the property project participated by the Borrower in Tianjin, the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Reference is made to the Company's announcement dated 23 November 2016 in relation to the provision of the Entrusted Loan Guarantee by the Company in favour of the Bank in respect of an entrusted loan made through the Bank to the Borrower. Pursuant to Rule 14.22 of the Listing Rules, the provision of the Entrusted Loan Guarantee is aggregated with the provision of the Corporate Guarantee as both of them involve the provision of financial assistance by the Company to the Borrower.

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the provision of the Corporate Guarantee, after aggregation with the provision of the Entrusted Loan Guarantee, are more than 5% but less than 25%, the provision of the Corporate Guarantee constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 28 March 2017, the Company entered into the Corporate Guarantee in favour of the Lender to guarantee 25% of the repayment obligations of the Borrower under the Fixed Assets Loan.

Details of the Corporate Guarantee are summarized below.

CORPORATE GUARANTEE

Date

28 March 2017

Parties

- (i) the Company, as corporate guarantor
- (ii) the Lender

Principal terms of the Corporate Guarantee

As security for the due and punctual performance of the Borrower under the Fixed Assets Loan Agreement, each of the shareholders of the Borrower agreed to severally provide corporate guarantee in favour of the Lender in proportion to their respective equity interests in the Borrower. In this connection, the Company entered into the Corporate Guarantee in favour of the Lender in respect of the Guaranteed Indebtedness which is in proportion to the Company's 25% equity interest in the Borrower, so that the Company's liability under the Corporate Guarantee will not exceed 25% of the total obligations of the Borrower under the Fixed Assets Loan Agreement.

The Corporate Guarantee will remain in force and effect until the expiration of two years after the repayment obligations under the Fixed Assets Loan Agreement have been discharged in full.

As the Corporate Guarantee is given by the Company in consideration of the provision of the Fixed Assets Loan to the Borrower, the Company will not receive any fee or income for providing the Corporate Guarantee under the Letter of Guarantee.

Source of fund for the Guaranteed Indebtedness

In the event that any amount becomes due and payable by the Company under the Corporate Guarantee in respect of any Guaranteed Indebtedness, the Company intends to fund such Guaranteed Indebtedness by the Group's internal resources.

Information of the Fixed Assets Loan Agreement

The Lender agreed to lend a principal aggregate amount of loan up to RMB3,000 million to the Borrower, subject to the terms and conditions of the Fixed Assets Loan Agreement. Each drawdown shall have a term of up to three years and subject to the terms and conditions as specified in each drawdown notice. The Fixed Assets Loan will be used to finance the development cost of the property project participated by the Borrower in Tianjin, the PRC.

INFORMATION OF THE GROUP AND PARTIES INVOLVED

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, Hainan, Foshan, Nanjing and Hefei. 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 Guangzhou. The Group also develops high-end hotels and operates some of them. 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 Borrower is a joint venture company established in the PRC with limited liability which is indirectly and equally owned as to 25% by each of the Guarantors. The Borrower is principally engaged in developing the property project located in Tianjin, the PRC.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry:

- (a) the Lender is a financial institution established in the PRC with limited liability and is principally engaged in banking business; and
- (b) the Lender and its respective ultimate beneficial owner(s) are Independent Third Parties of the Company.

REASONS FOR AND BENEFITS OF PROVISION OF THE CORPORATE GUARANTEE

The terms and conditions of the Fixed Assets Loan Agreement were negotiated on an arm's length basis between the Lender, the Borrower and the Guarantors with reference to the normal prevailing commercial practice and the principal amount of the Fixed Assets Loan. The Directors consider that the Fixed Assets Loan, the Fixed Assets Loan Agreement and the provision of the Corporate Guarantee pursuant to the terms and conditions of the Letter of Guarantee are on normal commercial terms. In respect of the provision of the Corporate Guarantee, the Directors have considered the fact that the other shareholders of the Borrower will be concurrently providing corporate guarantees in favour of the Lender in proportion to their respective equity interests in the Borrower, as well as the Group's credit assessments regarding the Borrower and the other Guarantors. Taking into account the financial conditions of and satisfactory quality of the assets held by the Borrower, the extent of the Guaranteed Indebtedness which is proportional to the Company's equity interest in the Borrower and the expected return to be generated from the Fixed Assets Loan which will be used to finance the property project of the Borrower, the Directors consider that the provision of the Corporate Guarantee is fair and reasonable and in the interest of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Reference is made to the Company's announcement dated 23 November 2016 in relation to the provision of the Entrusted Loan Guarantee by the Company in favour of the Bank in respect of an entrusted loan made through the Bank to the Borrower. Pursuant to Rule 14.22 of the Listing Rules, the provision of the Entrusted Loan Guarantee is aggregated with the provision of the Corporate Guarantee as both of them involve the provision of financial assistance by the Company to the Borrower.

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the provision of the Corporate Guarantee, after aggregation with the provision of the Entrusted Loan Guarantee, are more than 5% but less than 25%, the

provision of the Corporate Guarantee constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the Board of Directors
“Borrower”	Tianjin Jinnan Xincheng Real Estate Development Company Limited* (天津津南新城房地產開發有限公司), a company established in the PRC with limited liability which is indirectly and equally owned as to 25% by each of the Guarantors
“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
“Corporate Guarantee”	the corporate guarantee given by the Company in favour of the Lender pursuant to the Letter of Guarantee
“Directors”	the director of the Company
“Entrusted Loan Guarantee”	the corporate guarantee given by the Company in favour of the Bank in respect of an entrusted loan with an aggregate principal amount of up to RMB4,500 million made to the Borrower through the Bank, details of which are set out in the Company’s announcement dated 23 November 2016
“Fixed Assets Loan”	the loan with an aggregate principal amount of up to RMB3,000 million to be made available by the Lender to the Borrower pursuant to the terms and conditions of the Fixed Assets Loan Agreement
“Fixed Assets Loan Agreement”	the fixed assets loan agreement dated 28 March 2017 entered into among the Lender and the Borrower
“Group”	the Company and its subsidiaries
“Guaranteed Indebtedness”	up to 25% of all amounts due from the Borrower under the Fixed Assets Loan Agreement, which includes the principal, interests (including agreed interest, overdue interest, penalty interest and compound interest), agreed default penalty, damages for any breach, administrative charges incurred by the Lender, all costs incurred in relation to raising funds for availability of the Fixed Assets Loan, and all reasonable costs (including but not limited to reasonable litigation costs, legal costs and travelling expenses) incurred by the Lender to enforce the guarantees and debts under the Fixed Assets Loan
“Guarantors”	the Company and three other indirect shareholders of the Borrower (who are Independent Third Parties of the Company), being the corporate guarantors to the Fixed Assets Loan on a several basis

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons
“Lender”	Bohai Bank Co., Limited, Beijing Branch* (渤海銀行股份有限公司北京分行), a financial institution established in the PRC
“Letter of Guarantee”	the letter of guarantee dated 28 March 2017 issued by the Company in favour of the Lender in respect of the Guaranteed Indebtedness
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *for identification purpose only*

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

Hong Kong, 28 March 2017

As at the date of this announcement, the Board comprises eight directors, of which Mr. Kong Jian Min (Chairman), Mr. Kong Jian Tao, Mr. Kong Jian Nan, Mr. Li Jian Ming and Mr. Tsui Kam Tim are executive directors and Mr. Lee Ka Sze, Carmelo JP, Mr. Tam Chun Fai and Mr. Li Bin Hai are independent non-executive directors.