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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 IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE**

#### **PROVISION OF FINANCIAL ASSISTANCE**

On 8 June 2017, each of the Company and the JV Partner provided the KWG Loan and the JV Partner Loan to the JV Company, respectively. The JV Company will apply the loan proceeds for part payment of the land premium for the Site.

On 8 June 2017, each of the Company and the JV Partner provided the KWG Guarantee and the JV Partner Guarantee, respectively for up to 50% of the repayment obligations of the Project Company under the Bank Loan.

#### **LISTING RULES IMPLICATION**

In respect of the provision of the KWG Loan and the KWG Guarantee, one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 5% but less than 25%. The provision of the KWG Loan and the KWG Guarantee constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **BACKGROUND**

KWG Property Holding Limited (the “**Company**”) and an independent third party (the “**JV Partner**”) have entered into a joint venture through the formation of a joint venture company (the “**JV Company**”). The JV Company is a company incorporated in the British Virgin Islands. Each of the Company and the JV Partner owns 50% of the issued share capital of the JV Company and the JV Company will be accounted for as a joint venture of the Company in accordance with general accepted accounting principles of Hong Kong.

The purpose of the JV Company is to, through its wholly-owned subsidiary (the “**Project Company**”), develop the Kowloon Inland Lot No. 6567 at Kai Tak Area 1K Site 1, Kai Tak, Kowloon, Hong Kong (the “**Site**”) into a residential development (the “**Project**”). The Site was secured by the Project Company at a land premium of HK\$7,230,000,000. The Project Company is a company incorporated in Hong Kong.

## **PROVISION OF FINANCIAL ASSISTANCE**

On 7 June 2017, the Company, the JV Partner and its subsidiaries and the JV Company entered into a shareholders’ agreement in relation to the JV Company (the “**Shareholders’ Agreement**”). As contemplated under the Shareholders’ Agreement, on 8 June 2017, (i) the Company provided a loan in the amount of HK\$2,156,500,000 to the JV Company (the “**KWG Loan**”), and (ii) the JV Partner provided a loan in the amount of HK\$2,156,500,000 to the JV Company (the “**JV Partner Loan**”).

The JV Company will apply the loan proceeds for part payment of the land premium for the Site. The KWG Loan and the JV Partner Loan are unsecured and interest bearing.

The Project Company has entered into a bank loan facility with an aggregate principal amount of HK\$2,897,000,000, in which HK\$2,892,000,000 will be used to finance the payment of the balance of the land premium for the Site and HK\$5,000,000 will be used to finance part of the estimated construction costs of the Site (the “**Bank Loan**”). Each of the Company and the JV Partner, on 8 June 2017, provided a several guarantee (the “**KWG Guarantee**” and the “**JV Partner Guarantee**”, respectively) for up to 50% of the repayment obligations of the Project Company under the Bank Loan.

## **INFORMATION ON THE PARTIES INVOLVED**

The Company, together with its subsidiaries, is a large-scale property developer in the People’s Republic of China (the “**PRC**”) with a leadership position in Guangzhou and an established presence in Suzhou, Chengdu, Beijing, Tianjin, Shanghai, Nanning, Hangzhou, Hainan, Foshan, Nanjing and Hefei.

The JV Partner, together with its subsidiaries, is a large-scale property developer in the PRC.

## **REASON AND BENEFIT**

The directors of the Company (the “**Directors**”) are of the view that the provision of the KWG Loan and the KWG Guarantee will facilitate the Project Company meeting its payment obligation with respect of the land premium for the Site and the development of the Project, and the terms of the KWG Loan and the KWG Guarantee were negotiated on an arm’s length basis, and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## LISTING RULES IMPLICATION

In respect of the provision of the KWG Loan and the KWG Guarantee, one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is more than 5% but less than 25%. The provision of the KWG Loan and the KWG Guarantee is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

Hong Kong, 8 June 2017

*As at the date of this announcement, the board of Directors 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.*