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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 6 February 2018, the Company provided the KWG Guarantee for up to 50% of the repayment obligations of the Project Company under the Bank Loans.

LISTING RULES IMPLICATION

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

BACKGROUND

Reference is made to the announcement of the Company dated 22 March 2017 and the circular of the Company dated 5 June 2017, in relation to, among other things, the provision of financial assistance to the JV Company and the Project Company.

In March 2017, the Company and Logan entered into a joint venture through the formation of the JV Company. Each of the Company and Logan owns 50% of the issued share capital of the JV Company. The purpose of the JV Company is to, through the Project Company, develop the Site into a residential development.

In order to support and finance the development of the Project, the Project Company obtained the Existing Facilities, and each of the Company and Logan has provided a several guarantee in favour of the security agent for up to 50% of the repayment obligations of the Project Company under the Existing Facilities.

PROVISION OF FINANCIAL ASSISTANCE

On 6 February 2018, the Project Company entered into the Facility Agreement in respect of the term loan facilities granted to the Project Company as borrower of up to an aggregate principal amount of HK\$10,575,000,000.

On 6 February 2018, as security for the due and punctual performance of the Project Company under the Facility Agreement and the related finance documents, the Company entered into the KWG Guarantee Deed and provided a guarantee in favour of the security agent (for the benefit of the secured parties under the Facility Agreement) for up to 50% of the Guaranteed Indebtedness.

PRINCIPAL BUSINESS OF THE COMPANY

The Group is a large-scale property developer in PRC with a leadership position in Guangzhou and an established presence in Suzhou, Chengdu, Beijing, Tianjin, Shanghai, Nanning, Hangzhou, Hainan, Foshan, Nanjing and Hefei.

REASON AND BENEFIT

The Directors are of the view that the provision of the KWG Guarantee will facilitate the Project Company to obtain the Bank Loans to be applied for the refinancing of part of the existing indebtedness under the Existing Facilities and the financing of the construction costs of the Project. The terms of the KWG Guarantee were negotiated on an arm's length basis, and the Directors consider that the provision of the KWG Guarantee is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Banks” the lenders under the Facility Agreement

“Bank Loans”	the term loan facilities granted to the Project Company as borrower under the Facility Agreement of up to an aggregate principal amount of HK\$10,575,000,000
“Board”	the board of the Company
“Company”	KWG Property Holding Limited (合景泰富地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Existing Facilities”	the HK\$7,505,000,000 term loan facilities granted to the Project Company under the facility agreement dated 22 March 2017 entered into by and among, the Project Company (as borrower) and Hang Seng Bank Limited (as agent and security agent) granted by the financial institutions named therein (as original lenders)
“Facility Agreement”	the facility agreement dated 6 February 2018 entered into by and among, the Project Company (as borrower), Hang Seng Bank Limited (as agent and security agent) in relation to the Bank Loans granted to the Project Company by the Banks named therein (as original lenders)
“Group”	the Company and its subsidiaries from time to time
“Guaranteed Indebtedness”	all moneys and sums whatsoever (including all principal, interest, arrangement fee, agency and security agent fee, other fees, costs, charges and expenses) which are or shall or may be or become due or owing or payable by the Project Company from time to time under or pursuant to the Facility Agreement and the related finance documents to which the Project Company is a party
“JV Company”	Unicorn Bay Limited (麒麟灣有限公司), a company incorporated in the British Virgin Islands
“KWG Guarantee”	the guarantee provided by the Company (as guarantor) for up to 50% of the Guaranteed Indebtedness
“KWG Guarantee Deed”	the guarantee deed dated 6 February 2018 entered into between the Company and the security agent (for the benefit of the secured parties under the Facility Agreement) in respect of the KWG Guarantee

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logan”	Logan Property Holdings Company Limited (龍光地產控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Project”	the development of the Site into a residential development
“Project Company”	Unicorn Bay (Hong Kong) Investments Limited (麒麟灣(香港)投資有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the JV Company
“Site”	Ap Lei Chau Inland Lot No. 136 at Lee Nam Road, Ap Lei Chau, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 6 February 2018

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.