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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 5 June 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 8 June 2017, in relation to, among other things, the provision of financial assistance to the JV Company and the Project Company.

In June 2017, the Company and the JV Partner entered into a joint venture through the formation of the JV Company. Each of the Company and the JV Partner 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 the JV Partner 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 5 June 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\$5,092,000,000.

On 5 June 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.

INFORMATION ON THE PARTIES INVOLVED

The Company, together with its subsidiaries, is a large-scale property developer in 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 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

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.

DEFINITIONS

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

“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\$5,092,000,000
“Banks”	the lenders under the Facility Agreement
“Board”	the board of directors 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\$2,897,000,000 term loan facilities granted to the Project Company under the facility agreement dated 8 June 2017
“Facility Agreement”	the facility agreement dated 5 June 2018 entered into by and among, the Project Company (as borrower), the agent and security agent in relation to the Bank Loans granted to the Project Company by the Banks named therein (as original lenders)
“Guaranteed Indebtedness”	all moneys and sums whatsoever (including all principal, interest, 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”	a joint venture company incorporated in the British Virgin Islands formed by the Company and the JV Partner
“JV Partner”	an independent third party
“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 5 June 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
“PRC”	the People’s Republic of China, excluding the Hong Kong Special Administrative Region, 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”	a company incorporated in Hong Kong and a wholly-owned subsidiary of the JV Company
“Site”	New Kowloon Inland Lot No. 6567 at Kai Tak Area 1K Site 1, Kai Tak, Kowloon, 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, 5 June 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.