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KWG GROUP HOLDINGS LIMITED

合景泰富集團控股有限公司

(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 25 August 2021, the Company entered into the Guarantee Deed to provide for a several 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.

LISTING RULES IMPLICATIONS

As 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 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

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.

PROVISION OF FINANCIAL ASSISTANCE

On 25 August 2021, the Project Company as borrower entered into the Facility Agreement in respect of the Bank Loans.

On 25 August 2021, the Company entered into the Guarantee Deed to provide for a several 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.

The Bank Loans are classified as green loans. The Project is currently certified as “Provisional Gold” or (as the case may be) “Provisional Platinum” under the Provisional Certification. It is expected to be re-certified as “Final Gold” or (as the case may be) “Final Platinum” under the Building Environmental Assessment Method Plus by Hong Kong Green Building Council Limited.

REASON AND BENEFIT

The Group is a large-scale property developer in the PRC with a leadership position in Guangzhou and an established presence in various major cities in the PRC.

The directors of the Company are of the view that the provision of the 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 2018 Facility and the financing of the construction costs of the Project. The terms of the Guarantee were negotiated on an arm’s length basis. The directors of the Company consider that the provision of the Guarantee is fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“2018 Facility”	the term loan facilities granted to the Project Company in the amount of up to an aggregate principal amount of HK\$10,575,000,000 under 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) and the banks named therein (as original lenders)
“Bank Loans”	the term loan facilities up to an aggregate principal amount of HK\$10,200,000,000

“Company”	KWG Group Holdings 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
“Facility Agreement”	the facility agreement dated 25 August 2021 entered into by and among, the Project Company (as borrower) and the financial institutions named therein in relation to the Bank Loans granted to the Project Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee provided by the Company (as guarantor) for up to 50% of the Guaranteed Indebtedness
“Guarantee Deed”	the deed dated 25 August 2021 entered into between the Company and the security agent (for the benefit of the secured parties under the Facility Agreement) in respect of the Guarantee
“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 all the other 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logan”	Logan Group Company 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
“PRC”	the People’s Republic of China
“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

“Provisional Certification”	the provisional certification of the Project as “Provisional Gold” or (as the case may be) “Provisional Platinum” issued under the Building Environmental Assessment Method Plus by Hong Kong Green Building Council Limited
“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 Group Holdings Limited
KONG Jianmin
Chairman

Hong Kong, 25 August 2021

As at the date of this announcement, the board of the Company comprises seven directors, of which Mr. KONG Jianmin (Chairman), Mr. KONG Jiantao (Chief Executive Officer), Mr. KONG Jiannan and Mr. CAI Fengjia are executive directors; and Mr. LEE Ka Sze, Carmelo JP, Mr. TAM Chun Fai and Mr. LI Binhai are independent non-executive directors.