

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. Neither this announcement nor any copy hereof may be taken into or distributed in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company and its management, as well as financial statements. No public offer of securities is to be made by the Company in the United States.



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)

PROPOSED ISSUE OF SENIOR NOTES

The Board announces that the Company proposes to conduct an international offering of guaranteed U.S. Dollar denominated senior fixed rate notes.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, the interest rates, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that Citi, Standard Chartered Bank, UBS, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement. The Company intends to use the net proceeds from the Proposed Notes Issue to refinance existing debt and finance existing and new projects. The Company may adjust the foregoing plans in response to changing market conditions and circumstances and, thus, reallocate the use of the net proceeds.

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Board announces that the Company proposes to conduct an international offering of guaranteed U.S. Dollar denominated senior fixed rate notes.

Completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest. The Notes are proposed to be guaranteed by the Subsidiary Guarantors. As at the date of this announcement, the principal amount, the interest rates, the payment date and certain other terms and conditions of the Proposed Notes Issue are yet to be finalised. Upon finalising the terms of the Notes, it is expected that Citi, Standard Chartered Bank, UBS, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement.

The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

Reasons for the Proposed Notes Issue

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 and Hainan Province. The Group focuses on mid- to high-end residential property developments with distinctive characteristics. To diversify the 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 September 2009, the Group opened its first hotel, Four Points by Sheraton Guangzhou, Dongpu, in Guangzhou, followed by the Sheraton Guangzhou Huadu Resort in November 2011. The Group developed the first W Hotel in Guangzhou, which officially commenced operations in May 2013. The Group is planning to develop 11 additional high-end hotels and eight high-end shopping malls in various cities, including Guangzhou, Suzhou, Chengdu, Shanghai and Beijing as well as in Hainan Province. The Group has engaged internationally renowned hotel operators, such as affiliates of the Starwood Hotels and Resorts Worldwide, Inc. and Hyatt International Corporation, to manage its hotels. 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 Directors also consider that the Proposed Notes Issue will strengthen the financial position of the Company and further extend the Company's international profile and improve its ability to access the international capital markets to support the growth of the Group in the future.

The Company intends to use the net proceeds from the Proposed Notes Issue to refinance existing debt and finance existing and new projects. The Company may adjust the foregoing plans in response to changing market conditions and circumstances and, thus, reallocate the use of the net proceeds.

Listing

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

Recent Developments of the Group

New Projects Held for Future Development

Subsequent to 30 June 2013, the Group acquired ten new projects for future development, namely Guangzhou Ta Gang Project, Guangzhou Pazhou Project, Guangzhou Finance City Project, Nanning Wuxiang New District Project, Guangxi International Finance Place, Hangzhou Science City Project I, Beijing Haidian Project, Tianjin Shuang Gang Project I, Hangzhou Science City Project II and Tianjin Shuang Gang Project II. The following paragraphs describe the Group's ten new projects held for future development as of the date of this announcement:

Guangzhou Ta Gang Project (廣州塔崗項目), Guangzhou

Guangzhou Ta Gang Project is expected to be a residential development located on Yongning Street of Zengcheng District, Guangzhou. The project is expected to provide small-size residential apartments to meet the prevailing first-time buying demand. The project occupies a total site area of approximately 137,461 sq.m. with an estimated total GFA of approximately 343,653 sq.m. The Group has paid up all the land premium but have not obtained the relevant land use rights certificate. The Group has a 100% ownership in the project.

Guangzhou Pazhou Project (廣州琶洲項目), Guangzhou

Guangzhou Pazhou Project is expected to be a commercial development located in Haizhu District of Guangzhou, which is expected to comprise of two office buildings. It is located near Wanshengwei Station on Lines 4 and 8 of the Guangzhou metro. The project has convenient

access to ground transportation nearby, main roads such as Xingangdong Road and Keyun Road, and ancillary facilities such as hotels, banks, conventional centers and office buildings. The project occupies a total site area of approximately 13,444 sq.m. with an estimated total attributable GFA of approximately 50,415 sq.m.. The Group has paid up all the land premium and has obtained the relevant land use rights certificate. The Group has not commenced development within the time stipulated in the land grant contracts but has currently commenced development. The Group has a 50% ownership in the project.

Guangzhou Finance City Project (廣州金融城項目), Guangzhou

Guangzhou Finance City Project is expected to be an integrated commercial development located in Finance City, Huangpu Avenue, Tianhe District of Guangzhou, which is expected to comprise office buildings, retail shops and service apartments. It is near Keyun Road Station on Line 5 of the Guangzhou metro. The project has convenient access to transportation nearby, neighboring Huangpu Avenue, and is approximately ten minutes away from the CBD Pearl River New Town. The project occupies a total site area of approximately 28,310 sq.m. with an estimated total attributable GFA of approximately 102,255 sq.m. The Group has entered into the relevant land grant contract but has not paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 33% ownership in the project.

Nanning Wuxiang New District Project (南寧五象新區項目), Nanning

Nanning Wuxiang New District Project is expected to be a large scale integrated development featuring residential, office and retail shops, located in Wuxiang New District of Nanning, which is expected to be the city's new CBD in the near future. The project occupies a total site area of approximately 169,124 sq.m. with an estimated total GFA of approximately 676,494 sq.m. The Group has entered into the relevant land grant contract but has not paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 100% ownership in the project.

Guangxi International Finance Place (廣西合景國際金融廣場), Nanning

Guangxi International Finance Place is expected to be a commercial development located on the south of Wuxiang Avenue, Wuxiang New District of Nanning, the core area of new CBD, which is expected to comprise Grade A office buildings. It is near Pingle Avenue and Nanning Bridge. The project occupies a total site area of approximately 11,471 sq.m. with an estimated total GFA of approximately 71,120 sq.m. The Group has entered into the relevant land grant contract but has not paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 100% ownership in the project.

Hangzhou Science City Project I (杭州科學城項目I), Hangzhou

Hangzhou Science City Project I is expected to be a residential development located in the new high tech zone of Hangzhou. This project occupies a total site area of approximately 13,435 sq.m. with an estimated total GFA of approximately 47,023 sq.m. The Group has entered into the relevant land grant contract and paid up all the land premium but has not obtained the relevant land use right certificate. The Group has a 100% ownership interest in this project.

Beijing Haidian Project (北京海澱項目), Beijing

Beijing Haidian Project is expected to be a residential development located in Dongsheng County, Haidian District of Beijing. It is located two kilometers away from North Fifth Ring and near Shangdi Station on Line 13 of the Beijing metro. The project has convenient access to transportation nearby, such as Jingxin Highway and Jingzang Highway. The project occupies a total site area of approximately 13,025 sq.m. with an estimated total GFA (including GFA expected to be held for lease as public rental houses (公共租賃住房)) of approximately 27,353 sq.m. The Group has entered into the relevant land grant contract but has not paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 100% ownership in the project.

Tianjin Shuang Gang Project I (天津雙港項目I), Tianjin

Tianjin Shuang Gang Project I is expected to be a residential development located in Jinnan District of Tianjin, which is expected to provide small-size residential apartments to meet the prevailing demand. It is benefited with a mature transportation network, with Jingang Expressway and Shuang Gang Xinjiayuan Station on Line 6 of the Tianjin metro nearby. The project occupies a total site area of approximately 36,299 sq.m. with an estimated total GFA of approximately 54,600 sq.m. The Group has been issued a land grant confirmation letter, but has not entered into the relevant land grant contract or paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 100% ownership in the project.

Hangzhou Science City Project II (杭州科學城項目II), Hangzhou

Hangzhou Science City Project II is expected to be a residential development located in the Science City of Yuhang District of Hangzhou. The project is located near the Chang'er Road Station on Line 5 of the Hangzhou metro and lies alongside main roads such as Wenyi West Road and Hangzhou Ring Expressway, providing convenient access to the old city area and other regions. The project occupies a total site area of approximately 38,796 sq.m. with an estimated total GFA of approximately 58,194 sq.m. The Group has been issued a land grant confirmation letter, but has not entered into the relevant land grant contract or paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 100% ownership in the project.

Tianjin Shuang Gang Project II (天津雙港項目II), Tianjin

Tianjin Shuang Gang Project II is expected to be a residential development located to the north of Jinglian Road in Jinnan District of Tianjin, which is expected to provide small-size residential apartments. It is benefited with a mature transportation network, with Jingang Expressway and Shuang Gang Xinjiayuan Station on Line 6 of the Tianjin metro nearby. The project occupies a total site area of approximately 30,831 sq.m. with an estimated total GFA of approximately 31,610 sq.m. The Group has been issued a land grant confirmation letter, but has not entered into the relevant land grant contract or paid up all the land premium and has not obtained the relevant land use right certificate. The Group has a 100% ownership in the project.

DEFINITIONS

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

“Board”	the board of Directors
“Citi”	Citigroup Global Markets Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the guaranteed U.S. Dollar denominated senior fixed rate notes to be issued by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into between, among others, Citi, Standard Chartered Bank, UBS, the Company and the Subsidiary Guarantors in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“sq.m.”	square metres
“Standard Chartered Bank”	Standard Chartered Bank, one of the joint lead managers and joint bookrunners of the Proposed Notes Issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Notes
“United States”	the United States of America
“UBS”	UBS AG, Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue

“U.S. Dollars” United States dollar(s), the lawful currency of the United States
“%” per cent.

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

Hong Kong, 7 January 2014

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