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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)**

### **MAJOR TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE**

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

On 22 March 2017, each of the Company and Logan provided the KWG Loan and the Logan 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 22 March 2017, each of the Company and Logan provided the KWG Guarantee and the Logan 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 25% but less than 100%. The provision of the KWG Loan and the KWG Guarantee is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Company, a written approval has been obtained from Plus Earn Consultants Limited 晉得顧問有限公司 (“**Plus Earn**”) on the provision of the KWG Loan and the KWG Guarantee. Plus Earn is a controlling shareholder of the Company with an interest in 1,722,370,918 shares of the Company, representing approximately 56.40% of the issued shares of the Company as at the date of this announcement. A circular containing, among other things, information relating to the KWG Loan and the KWG Guarantee and other information as required under the Listing Rules will be dispatched to the shareholders of the Company as soon as possible, which is expected to be on or before 13 April 2017.

## BACKGROUND

KWG Property Holding Limited (the “**Company**”) and Logan Property Holdings Company Limited (“**Logan**”) have entered into a joint venture through the formation of Unicorn Bay Limited 麒麟灣有限公司 (the “**JV Company**”). The JV Company is a company incorporated in the British Virgin Islands. 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 its wholly-owned subsidiary (the “**Project Company**”), develop the Ap Lei Chau Inland Lot No. 136 at Lee Nam Road, Ap Lei Chau, Hong Kong (the “**Site**”) into a residential development (the “**Project**”). The Site was secured by the Project Company at a land premium of HK\$16,855,780,000. The Project Company is a company incorporated in Hong Kong.

## PROVISION OF FINANCIAL ASSISTANCE

On 22 March 2017, the Company, Logan and the JV Company entered into a shareholders’ agreement in relation to the JV Company (the “**Shareholders’ Agreement**”), pursuant to which, a sum of HK\$12,500,000 advanced by each of the Company and Logan to enable the Project Company to submit the HK\$25,000,000 deposit with its bid for the Site shall be treated as a shareholder’s loan from each of the Company and Logan from the date of the Shareholders’ Agreement (the “**KWG Deposit**” and the “**Logan Deposit**” respectively).

As contemplated under the Shareholders’ Agreement, on 22 March 2017, (i) the Company provided a loan in the amount of HK\$4,685,000,000 to the JV Company (together with the KWG Deposit, the “**KWG Loan**”); and (ii) Logan provided a loan in the amount of HK\$4,685,000,000 to the JV Company (together with the Logan Deposit, the “**Logan Loan**”).

The JV Company will apply the loan proceeds for part payment of the land premium for the Site. Each of the KWG Loan and the Logan Loan is unsecured with interest bearing for a period of 60 months.

The Project Company will finance the payment of the balance of the land premium in the amount of HK\$16,830,780,000 by way of a bank loan in the principal amount of HK\$7,500,000,000 (the “**Bank Loan**”). Each of the Company and Logan, on 22 March 2017, provided a several guarantee (the “**KWG Guarantee**” and the “**Logan 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.

Logan, together with its subsidiaries, is principally engaged in property development, property investment and property construction in the PRC.

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiry, Logan and its ultimate beneficial owners are independent of and not connected with the Company or any of its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## **REASON AND BENEFIT**

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 25% but less than 100%. The provision of the KWG Loan and the KWG Guarantee is subject to the reporting, announcement and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of Company, a written approval has been obtained from Plus Earn Consultants Limited 晉得顧問有限公司 (“**Plus Earn**”) on the provision of the KWG Loan and the KWG Guarantee. Accordingly, no physical meeting of the shareholders of the Company (the “**Shareholder(s)**”) for approving the provision of the KWG Loan and the KWG Guarantee will be held. Plus Earn is a controlling shareholder of the Company with an interest in 1,722,370,918 shares of the Company, representing approximately 56.40% of the issued shares of the Company as at the date of this announcement.

As at the date of this announcement and to the best knowledge, information and belief of the Directors, no Shareholder has a material interest in the provision of the KWG Loan and the KWG Guarantee and accordingly no Shareholder is required to abstain from voting if the Company were to convene a Shareholders’ meeting for approving the KWG Loan and the KWG Guarantee. A circular containing, among other things, information relating to the KWG Loan and the KWG Guarantee and other information as required under the Listing Rules will be dispatched to the shareholders of the Company as soon as possible, which is expected to be on or before 13 April 2017.

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

Hong Kong, 22 March 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.*