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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **KWG Property Holding Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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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)**

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

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A letter from the Board is set out on pages 4 to 8 of this circular.

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## DEFINITIONS

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*In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:*

“Announcement”	announcement of the Company dated 22 March 2017, in relation to, among other things, provision of financial assistance to the JV Company and the Project Company
“Bank(s)”	the licensed banks as lenders under the Facility Agreement
“Bank Loan(s)”	(i) the loan facility in an aggregate amount of HK\$7,500,000,000 to finance up to 50% of the land premium of the Site, and (ii) the loan facility in an aggregate amount of HK\$5,000,000 to finance or refinance part of the estimated construction costs for the sole purpose of developing the Site granted by the Banks as lenders to the Project Company as borrower
“Board”	the board of Directors
“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
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Facility Agreement”	the facility agreement dated 22 March 2017 entered into by and among, the Project Company (as borrower), the Banks (as mandated lead arrangers and original lenders) and Heng Seng Bank Limited (as agent and security agent) in relation to the Bank Loans
“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
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“JV Company”	Unicorn Bay Limited (麒麟灣有限公司), a company incorporated in the British Virgin Islands which is owned as to 50% by the Company and as to 50% by Logan
“KWG Deposit”	the sum of HK\$12,500,000 advanced by the Company to enable the Project Company to submit the deposit with its bid for the Site, being part of the KWG Loan
“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 22 March 2017 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
“KWG Loan”	the shareholder’s loan in the aggregate amount of HK\$4,697,500,000, being the sum of the KWG Deposit and the loan in the amount of HK\$4,685,000,000 advanced by the Company to the JV Company on 22 March 2017
“Latest Practicable Date”	2 June 2017, being the latest practicable date prior to the publication of this circular for ascertaining certain information for inclusion in this circular
“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
“Logan Deposit”	the sum of HK\$12,500,000 advanced by Logan to enable the Project Company to submit the deposit with its bid for the Site, being part of the Logan Loan
“Logan Guarantee”	the guarantee provided by Logan (as guarantor) for up to 50% of the Guaranteed Indebtedness
“Logan Guarantee Deed”	the guarantee deed dated 22 March 2017 entered into between Logan and the security agent (for the benefit of the secured parties under the Facility Agreement) in respect of the Logan Guarantee

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## DEFINITIONS

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“Logan Loan”	the shareholder’s loan in the aggregate amount of HK\$4,697,500,000, being the sum of the Logan Deposit and the loan in the amount of HK\$4,685,000,000 advanced by Logan to the JV Company on 22 March 2017
“Plus Earn”	Plus Earn Consultants Limited (晉得顧問有限公司), a company incorporated in the British Virgin Islands and a controlling shareholder of the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this circular
“Project”	the development of the Site into a residential development by the JV Company through the Project Company
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement dated 22 March 2017 entered into between the Company, Logan and the JV Company in relation to 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
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.



**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)**

*Executive Directors:*

Mr. Kong Jian Min (*Chairman*)  
Mr. Kong Jian Tao  
Mr. Kong Jian Nan  
Mr. Li Jian Ming  
Mr. Tsui Kam Tim

*Independent Non-executive Directors:*

Mr. Lee Ka Sze, Carmelo JP  
Mr. Tam Chun Fai  
Mr. Li Bin Hai

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
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the Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Suite 7506, Level 75  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

5 June 2017

*To the Shareholders*

Dear Sir/Madam,

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

**INTRODUCTION**

Reference is made to the Announcement in relation to, among others, the provision of financial assistance to the JV Company and the Project Company.

The purpose of this circular is to provide you with the information relating to, among other things, further details regarding the provision of the KWG Loan and the KWG Guarantee together with other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### PROVISION OF FINANCIAL ASSISTANCE

#### Provision of the KWG Loan

On 22 March 2017, the Company, Logan and the JV Company entered into the Shareholders' Agreement, pursuant to which, among others, 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 Shareholder's Agreement.

As contemplated under the Shareholder's Agreement, on 22 March 2017, the Company advanced a loan in the amount of HK\$4,685,000,000 to the JV Company. The principal terms of the KWG Loan are as follows:

<b>Amount</b>	: HK\$4,697,500,000
<b>Term</b>	: A period of sixty (60) months commencing from 22 March 2017
<b>Interest Rate</b>	: at the rate of 2.50% per annum, calculated on a daily basis and payable on a yearly basis
<b>Repayment</b>	: one-off repayment at the end of the term
<b>Security</b>	: None

On 22 March 2017, Logan, holding 50% of the issued share capital of the JV Company, made available to the JV Company the Logan Loan with the same terms (including the interest rate) as the KWG Loan as set out above.

The JV Company has applied the loan proceeds from the Company and Logan for part payment of the land premium for the Site.

#### Provision of the KWG Guarantee

In order to finance the payment of the balance of the land premium in the amount of HK\$16,830,780,000 (being the total consideration of the land premium less the HK\$25,000,000 deposit paid with the bid for the Site), on 22 March 2017, the Project Company (as borrower) and the Banks (as lenders) entered into the Facility Agreement in relation to the Bank Loans.

As security for the due and punctual performance of the Project Company under the Facility Agreement and the related finance documents, the Company 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 under the KWG Guarantee Deed; and Logan 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 under the Logan Guarantee Deed.

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## LETTER FROM THE BOARD

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Each of the KWG Guarantee and the Logan Guarantee will remain in force and effect until the final payment of the Guaranteed Indebtedness has been made by the Project Company.

As the KWG Guarantee is given by the Company in consideration of the provision of the Bank Loans to the Project Company, the Company will not receive any fee or income for providing the KWG Guarantee under the KWG Guarantee Deed.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Banks, the security agent and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

### INFORMATION ON THE PARTIES INVOLVED

The Company is a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange. The Group 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.

Logan is a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange. 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, having made all reasonable enquiries, Logan and its ultimate beneficial owners are independent of and not connected with the Company or any of its connected persons.

### REASONS AND BENEFITS OF PROVISION OF FINANCIAL ASSISTANCE

The construction of the Site is currently expected to commence in the second quarter of 2017, and the construction period of the Project is currently anticipated to be approximately 51 months.

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 (including the interest rate) and the KWG Guarantee were negotiated on an arm's length basis, are on normal commercial terms and fair and reasonable and in the interests of the Company and its shareholders as a whole.

### FINANCIAL EFFECT OF THE FINANCIAL ASSISTANCE

#### Provision of the KWG Loan

The KWG Loan was fully paid by the Group's cash and cash equivalents and will be recognised and disclosed as advances to joint ventures under interests in joint ventures. As such, the provision of the KWG Loan will not have material financial effect to the total assets and liabilities of the Group. The annual interest income of approximately HK\$117



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## LETTER FROM THE BOARD

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million from the KWG Loan will be recorded as other income of the Group, which will increase earnings of the Group accordingly. Save as disclosed above, there will be no other material financial effect on earnings of the Group associated with the provision of the KWG Loan.

### **Provision of the KWG Guarantee**

The provision of the KWG Guarantee will not have any immediate effect on the Group's earnings, assets and liabilities. The Company, as a guarantor under the KWG Guarantee, will be responsible for up to 50% of the Guaranteed Indebtedness in case there is a default in the repayment of the Bank Loans and related interest, costs or fees by the Project Company.

According to the preliminary design and financial prospects of the Project, if there is any future funding need for the Project, the JV Company and the Project Company (as the case may be) will first seek financing (or refinancing) from external banks, absence or shortfall of which will then seek funding from shareholders of the JV Company. Hence the Directors consider that there will be sufficient cash flow for the Project Company to repay the Bank Loans, and are of the view that the provision of the KWG Guarantee will not have any material negative financial effects on the earnings, assets and liabilities of the Group.

### **LISTING RULES IMPLICATIONS**

The KWG Loan, when aggregating with the KWG Guarantee, constitutes a series of related transactions and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the KWG Loan and the KWG Guarantee is more than 25% but less than 100%, the provision of the KWG Loan and the KWG Guarantee constitutes a major transaction for the Company and 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 the Company, a written approval has been obtained from Plus Earn on the provision of the KWG Loan and the KWG Guarantee. Accordingly, no physical meeting of the Shareholders for approving the provision of the KWG Loan and the KWG Guarantee will be held. Plus Earn was a controlling shareholder of the Company with an interest in 1,722,370,918 Shares, representing approximately 56.40% of the issued shares of the Company as at the date of the Announcement and the Latest Practicable Date.

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.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors, including the independent non-executive Directors, are of the view that although the provision of the KWG Loan and the KWG Guarantee is not in the ordinary and usual course of business of the Company, it is necessary and for the purpose of the Project which is in the ordinary and usual course of business of the Company. The Directors are of the view that the terms of the KWG Loan and the KWG Guarantee are on normal commercial terms, fair and reasonable and in the interest of the Group and the Shareholders as a whole. Accordingly, should a resolution be put at a general meeting of the Company for the Shareholders to consider, the Directors would recommend the Shareholders to vote in favour of such resolution.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By Order of the Board  
**KWG Property Holding Limited**  
**Kong Jian Min**  
*Chairman*

**I. FINANCIAL INFORMATION OF THE GROUP**

The audited consolidated financial statements, together with the accompanying notes to the financial statements, of the Group for the three years ended 31 December 2014, 2015 and 2016 are disclosed on pages 57 to 146, pages 53 to 142 and pages 63 to 146 of the annual reports of the Company for the three years ended 31 December 2014, 2015 and 2016, respectively. The management discussion and analysis of the Company for the three years ended 31 December 2014, 2015 and 2016 are disclosed in the published annual reports of the Company for the relevant periods.

Please also see below the hyperlinks to the said annual reports:

For the year ended 31 December 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0417/LTN20150417039.pdf>

For the year ended 31 December 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0224/LTN20160224132.pdf>

For the year ended 31 December 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0425/LTN20170425721.pdf>

**II. STATEMENT OF INDEBTEDNESS****Borrowings**

As at the close of business on 14 April 2017, being the latest practicable date for the purpose of determining this indebtedness of the Group prior to the printing of this circular, the Group had the following:

	<i>RMB(000)</i>
Bank loans — secured with guarantee	16,737,876
Bank loans — secured without guarantee	1,136,826
Bank loans — unsecured with guarantee	360,000
Senior notes — secured with guarantee	11,901,528
Domestic corporate bonds — unsecured with guarantee	11,927,113
Domestic corporate bonds — unsecured without guarantee	<u>11,277,727</u>
<b>Total</b>	<b><u>53,341,070</u></b>

*Note:*

As at 14 April 2017, the Group's bank and other loans of approximately RMB17,875 million were secured by certain buildings, land use rights, investment properties, properties under development and completed properties held for sale of the Group and equity interests of certain subsidiaries of the Group and certain bank and other loans were guaranteed by the Company and certain subsidiaries of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares. Part of the Group's domestic corporate bonds were guaranteed by the Company.

**Contingent Liabilities**

As at the close of business on 14 April 2017, contingent liabilities of the Group not provided for in the financial statements were as follows:

	<i>Note</i>	<i>RMB(000)</i>
Guarantees given to banks in connection with mortgage granted to certain purchasers of the Group's properties	(a)	6,757,969
Guarantees given to banks in connection with bank loans granted to joint ventures		<u>9,637,359</u>
		<u><u>16,395,328</u></u>

*Note:*

- (a) As at 14 April 2017, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates which will generally be available within one to two years after the purchasers take possession of the relevant properties.

Save as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have any material:

- (i) debt securities issued and outstanding, authorised or otherwise created but unissued;
- (ii) term loans;
- (iii) borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; or
- (iv) mortgages or charges.

### III. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the internally generated funds and the available banking facilities, and also the effect of provision of the KWG Loan and the KWG Guarantee, the Directors are of the opinion that the Group will have sufficient working capital for its present requirements for the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

### IV. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material change in the financial or trading position or outlook of the Group since 31 December 2016, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

### V. FUTURE PROSPECTS

In 2017, the Central Government is expected to maintain its regulatory grip and put forward different measures across cities based on the principle of “housing properties for accommodation, not speculative trading” stated at the meeting of the Central Economic Work Conference, with a view to developing a long-term mechanism compatible with Mainland China’s economic conditions and market developments.

The Group is scheduled to launch a great number of brand new projects in Guangzhou, Shanghai, Foshan, Nanning and Hangzhou in 2017. These will include Zhucun Project in Guangzhou, Songjiang Project in Shanghai, Beijiao Project in Foshan, Wuxiang New City Project IV in Nanning, Xiaoshan Project and Shenhua Project in Hangzhou. The new projects will comprise mainly residential for end-users and upgraders. In the meantime, the Group also looks to launch new phases of existing projects which have been quite established in their respective local markets, such as The Summit in Guangzhou, Oriental Bund in Foshan, Sky Ville in Chengdu, The Moon Mansion in Hangzhou and The Core of Centre in Nanning, to ensure timely replenishment of saleable resources. In 2017, the Group and Logan jointly made a successful bid for a premium residential site at Lee Nam Road, Ap Lei Chau of Hong Kong for a total consideration of HK\$16,855,780,000. The Group and Logan have 50% ownership of the project, respectively. The site area is over 126,500 sq. ft., with a total gross floor area of more than 760,000 sq. ft. Leveraging on the Group’s market recognition, years of experience as well as proven track record in high-end developments in property market, the collaboration is expected to take advantage of each other’s respective strengths and to achieve a win-win cooperation. In addition, it will lay the foundation for the Group’s long term strategic positioning in Hong Kong property market.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests in Shares

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which the Directors and chief executive were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) of the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

#### (i) Interest in Shares and debentures of the Company

Name of Director	Long position/ Short position	Nature of interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 2)	Amount of Debentures held (US\$)
Kong Jian Min (Notes 3, 4 and 5)	Long position	Interest of a controlled corporation	1,867,364,418	61.15%	
Kong Jian Tao (Notes 3, 4 and 6)	Long position	Interest of a controlled corporation	1,798,370,918	58.89%	
Kong Jian Nan (Notes 3 and 4)	Long position	Interest of a controlled corporation	1,797,370,918	58.86%	
Tam Chun Fai (Note 7)	Long position	Beneficial owner	80,000	0.0026%	
Lee Ka Sze, Carmelo JP (Note 8)	Long position	Beneficial owner	30,000	0.001%	
Tsui Kam Tim (Note 9)	Long position	Beneficial owner			2,000,000

#### Notes:

- (1) Share(s) of HK\$0.10 each in the capital of the Company.
- (2) As at the Latest Practicable Date, total issued shares capital of the Company is 3,053,801,748 Share.

- (3) Plus Earn is legally and beneficially owned as to 76.5% by Kong Jian Min, as to 15% by Kong Jian Tao and as to 8.5% by Kong Jian Nan. Therefore, Kong Jian Min, Kong Jian Tao and Kong Jian Nan are deemed to be interested in 1,722,370,918 Shares through their interests in Plus Earn. Each of Kong Jian Min, Kong Jian Tao and Kong Jian Nan is a director of Plus Earn.
- (4) Right Rich Consultants Limited (“**Right Rich**”) is legally and beneficially owned as to 76.5% by Kong Jian Min, as to 15% by Kong Jian Tao and as to 8.5% by Kong Jian Nan. Therefore, Kong Jian Min, Kong Jian Tao and Kong Jian Nan are deemed to be interested in 75,000,000 shares through their interests in Right Rich. Each of Kong Jian Min, Kong Jian Tao and Kong Jian Nan is a director of Right Rich.
- (5) Hero Fine Group Limited (“**Hero Fine**”) is legally and beneficially owned as to 100% by Kong Jian Min and Kong Jian Min is therefore deemed to be interested in 69,993,500 Shares through his interests in Hero Fine. Kong Jian Min is the sole director of Hero Fine.
- (6) Excel Wave Investments Limited (“**Excel Wave**”) is legally and beneficially owned as to 100% by Kong Jian Tao and Kong Jian Tao is therefore deemed to be interested in 1,000,000 Shares through his interest in Excel Wave. Kong Jian Tao is the sole director of Excel Wave.
- (7) These Shares are held and beneficially owned by Tam Chun Fai.
- (8) These Shares are held and beneficially owned by Lee Ka Sze, Carmelo, JP immediately after the share options were exercised on 14 July 2016.
- (9) Mr. Tsui Kam Tim bought US\$2,000,000 of US\$250 Million 6.00% Senior Notes Due 2022 on 11 January 2017.

(ii) *Interest in Associated Corporations of the Company*

Name of Director	Associated Corporations	Number of shares held in associated corporations	Approximate percentage of shareholding in associated corporations
Kong Jian Min	Plus Earn	765	76.50%
	Right Rich	765	76.50%
Kong Jian Tao	Plus Earn	150	15.00%
	Right Rich	150	15.00%
Kong Jian Nan	Plus Earn	85	8.50%
	Right Rich	85	8.50%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company, had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which the Directors

and chief executive were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company, or were required, pursuant to the Model Code of the Listing Rules to be notified to the Company and the Stock Exchange.

**(b) Directors' service contracts**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group or any associated company of the Company (excluding contracts expiring or determinable within one year without payment of compensation other than statutory compensation).

**(c) Interests in assets**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries.

**(d) Interests in contract or arrangement**

As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

**(e) Directors' interests in competing businesses**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.



### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company under section 336 of the SFO, the persons other than a Director or chief executive of the Company who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO were as follows:

#### Long positions in the Shares of the Company

Name	Capacity	Number of Shares held <i>(Note 1)</i>	Percentage of issued share capital <i>(Note 2)</i>
Plus Earn	Beneficial owner	1,722,370,918	56.40%

*Notes:*

- (1) Share(s) of HK\$0.10 each in the capital of the Company.
- (2) As at the Latest Practicable Date, total issued shares capital of the Company is 3,053,801,748 Share.
- (3) Plus Earn is legally and beneficially owned as to 76.5% by Kong Jian Min, as to 15% by Kong Jian Tao and as to 8.5% by Kong Jian Nan.

Save as disclosed above, the Directors and the chief executive of the Company were not aware that there was any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any share options in respect of such capital.

Mr. Kong Jian Min is a director of Plus Earn. As at the Latest Practicable Date and save as disclosed, none of the Directors is a director or employee of a company which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### 4. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are, or may be material:

- (a) the agreement dated 17 July 2015 entered into between the Company as guarantor, Rich Come Enterprises Limited (“**Rich Come**”) as purchaser and Sun Hung Kai Development (China) Limited (“**Sun Hung Kai**”) as vendor, pursuant to which Sun Hung Kai has agreed to transfer 30% of the total issued ordinary shares of Lyntondale Holdings Limited and the shareholder’s loan in the sum of US\$94,126,761 and RMB97,267,356 (equivalent to approximately HK\$852,942,124) to Rich Come at a total consideration of approximately HK\$852,942,357 and the Company has agreed to guarantee the due performance of the duties and obligations of Rich Come thereunder, details of which is set out in the announcement of the Company dated 17 July 2015;
- (b) the agreement dated 17 July 2015 entered into between the Company as guarantor, High Ascent Enterprises Limited (“**High Ascent**”) as purchaser and Sun Hung Kai as vendor, pursuant to which Sun Hung Kai has agreed to transfer 30% of the total issued ordinary shares of Bonserry Investments Limited and the shareholder’s loan in the sum of US\$77,910,482 and HK\$404,489,188 (equivalent to approximately HK\$1,008,451,244) to High Ascent at a total consideration of approximately HK\$1,008,451,477 and the Company has agreed to guarantee the due performance of the duties and obligations of High Ascent thereunder, details of which is set out in the announcement of the Company dated 17 July 2015;
- (c) the letter of guarantee dated 23 November 2016 issued by the Company in favour of Bohai Bank Co., Limited, Beijing Branch\* (渤海銀行股份有限公司北京分行) (the “**Bank**”) to guarantee 25% of the repayment obligations of Tianjin Jinnan Xincheng Property Development Company Limited\* (天津津南新城房地產開發有限公司) (the “**Borrower**”) under the non-revolving loan facilities of up to RMB4,500 million pursuant to the entrusted loan agreement dated 23 November 2016 entered into among Guodu Securities Co., Ltd\* (國都證券股份有限公司) as lender, the Borrower and the Bank, details of which is set out in the announcement of the Company dated 23 November 2016;
- (d) the facility agreement dated 27 January 2017 entered into between the Company as borrower, certain of the subsidiaries of the Company as original guarantors, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited, The Bank of East Asia, Limited and Chong Hing Bank Limited as the original lenders (the “**Original Lenders**”), Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank (Hong Kong) Limited and The Bank of East Asia, Limited, as mandated lead arrangers and bookrunners, and Standard Chartered Bank (Hong Kong) Limited, as the agent, pursuant to which

the Original Lenders have agreed to make available a transferrable dual currency term loan facility in the amount of HK\$1,485 million and US\$150 million respectively with a greenshoe option of US\$250 million to the Company for a term of 48 months commencing from 27 January 2017, details of which is set out in the announcement of the Company dated 27 January 2017;

- (e) the KWG Guarantee Deed; and
- (f) the Shareholders' Agreement.

\* *For identification purpose only*

## 5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

## 6. MISCELLANEOUS

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands and the principal place of business of the Company in Hong Kong is at Suite 7506, Level 75 International Commerce Centre 1 Austin Road West Kowloon, Hong Kong.
- (b) The Company's principal share registrar and transfer agent is Royal Bank of Canada Trust Company (Cayman) Limited, 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, the Cayman Islands.
- (c) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Tsui Kam Tim, a professional member of the Hong Kong Institute of Certified Public Accountants.
- (e) The English text of this circular shall prevail over the Chinese text.

## 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong during normal business hours on any weekdays during the period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2015 and 2016;

- (c) each of the material contracts set out under the paragraph headed “Material Contracts” in this Appendix; and
- (d) this circular.