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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)

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 rate, 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 Goldman Sachs (Asia) L.L.C., Guotai Junan International, HSBC, Morgan Stanley, Silk Road International, Standard Chartered Bank, the Subsidiary Guarantors and the Company, will enter into the Purchase Agreement. The Company intends to use the net proceeds of the Proposed Notes Issue to refinance certain of the Company's offshore debt.

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 in offshore transactions 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.

No PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA.

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.

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The Notes have not been, and will not be, registered under the Securities Act. The Notes are being offered outside the United States in offshore transactions 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, Hainan, Hefei, Foshan, Wuhan, Xuzhou, Jiaxing, Taizhou, Jinan, Nanjing, Shenzhen, Changshu, Lishui, Chongqing, Taicang, Wuxi, Zhaoqing, Zhongshan, Nantong, Liuzhou, Huizhou, Jiangmen, Wenzhou and Hong Kong. The Group focuses on mid- to high-end residential property developments with distinctive characteristics. To diversify the Group's 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 Guangzhou. The Group also develops high-end hotels and operates some of them. 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 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 of the Proposed Notes Issue to refinance certain of the Company's offshore debt.

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

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DEFINITIONS

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

“Board”	the board of Directors
“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
“Directors”	the directors of the Company
“Goldman Sachs (Asia) L.L.C.”	Goldman Sachs (Asia) L.L.C.
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Morgan Stanley”	Morgan Stanley & Co. International plc
“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, Macao Special Administrative Region of the PRC 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 by and among Goldman Sachs (Asia) L.L.C., Guotai Junan International, HSBC, Morgan Stanley, Silk Road International, Standard Chartered Bank, the Company and the Subsidiary Guarantors in relation to the Proposed Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“Silk Road International”	Silk Road International Capital Limited

“Standard Chartered Bank”	Standard Chartered Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	the subsidiaries of the Company which guarantee the Notes
“United States” or “U.S.”	the United States of America
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States

By order of the Board
KWG Group Holdings Limited
Kong Jianmin
Chairman

Hong Kong, 14 November 2018

As at the date of this announcement, the Board comprises eight Directors, of which Mr. Kong Jianmin (Chairman), Mr. Kong Jiantao, Mr. Kong Jiannan, Mr. Tsui Kam Tim 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.