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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)

REDEMPTION OF SENIOR NOTES DUE 2017

Reference is made to the announcement of KWG Property Holding Limited (the “**Company**”) dated 16 March 2012 in relation to the issuance of 13.25% senior notes due 2017 (the “**2012 Notes**”).

Pursuant to the terms of the indenture dated as of 22 March 2012 (as amended or supplemented from time to time, the “**Indenture**”), among the Company, the entities set forth in Schedule I thereto as Subsidiary Guarantors and Citicorp International Limited, as trustee (the “**Trustee**”) entered into in connection with the issuance of the 2012 Notes, the Company announces that it has, on 11 October 2016, informed the Trustee and holders of the 2012 Notes that all the outstanding 2012 Notes will be redeemed in full on 10 November 2016 (the “**Redemption Date**”) at a redemption price equal to 100% of the principal amount thereof, plus the applicable premium (as set forth in the Indenture) (the “**Applicable Premium**”) as of, and accrued and unpaid interest to (but not including), the Redemption Date.

The amount of the Applicable Premium that will be payable with respect to the 2012 Notes on the Redemption Date, will be the greater of (1) 1.00% of the principal amount of such 2012 Note and (2) the excess of (A) the present value at the Redemption Date of (x) 100% of the principal amount of such 2012 Note on 22 March 2017, plus (y) all required remaining scheduled interest payments due on such 2012 Note through 22 March 2017 (but excluding accrued and unpaid interest to the Redemption Date), computed using a discount rate equal to the adjusted treasury rate (as set forth in the Indenture) (the “**Adjusted Treasury Rate**”) plus 100 basis points, over (B) the principal amount of such 2012 Note on the Redemption Date. Pursuant to the Indenture, the Adjusted Treasury Rate will be determined using the U.S.

treasury notes having a maturity comparable to 22 March 2017, the price of which will be determined in accordance with the Indenture on the third business day preceding the Redemption Date.

As of the date of this announcement, the outstanding principal amount of the 2012 Notes is US\$400,000,000. The Company will use its internal resources to satisfy the payment of the redemption of the 2012 Notes.

Upon redemption of the outstanding 2012 Notes on the Redemption Date, all the redeemed 2012 Notes will be cancelled.

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

Hong Kong, 11 October 2016

As at the date of this announcement, the Board comprises nine 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. Lee Ka Sze, Carmelo JP, Mr. Tam Chun Fai and Mr. Li Bin Hai are independent non-executive directors.