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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 a stockbroker or other registered dealer 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, stockbroker or other agent through whom the sale or transfer was effected for 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)**

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting of KWG Property Holding Limited to be held at Studio 3&5, 7th Floor, W Hong Kong, 1 Austin Road West, Kowloon, Hong Kong on Friday, 9 February 2018 at 3:00 p.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

24 January 2018

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“close associate(s)”	has the meaning as ascribed to it under the Listing Rules
“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(s)”	has the meaning as ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for Shareholders to consider and, if thought fit, approve the proposed adoption of the New Share Option Scheme as set out in the notice of the EGM
“Eligible Participants”	means any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; any directors (including independent non-executive directors) of the Company or any of its subsidiaries; and any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 11 June 2007, which expired on 2 July 2017
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19 January 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the EGM, the principal terms of which are set out in the Appendix to this circular
“Option(s)”	option(s) to subscribe for Shares pursuant to the New Share Option Scheme
“SFO”	the Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	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:*

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

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Independent non-executive Directors:*

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

*Principal place of business in the PRC:*

38th Floor, International Finance Place  
No. 8 Huaxia Road, Pearl River New Town  
Guangzhou, PRC

*Principal place of business in Hong Kong:*

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

24 January 2018

*To the Shareholders*

Dear Sir or Madam

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the notice of the EGM and to provide you with information regarding the proposed adoption of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### ADOPTION OF NEW SHARE OPTION SCHEME

#### (a) The New Share Option Scheme

The Existing Share Option Scheme was adopted on 11 June 2007 and was expired on 2 July 2017. In order to provide the Company with the flexibility of granting share options to, among others, the Directors and employees as incentives or rewards for their contribution or potential contribution to the Group, the Directors proposed to adopt the New Share Option Scheme, the principal terms of which are set out in the Appendix to this circular.

The adoption of the New Share Option Scheme is conditional upon (i) the approval of the proposed adoption of the New Share Option Scheme by the Shareholders at the EGM; and (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options which may be granted under the New Share Option Scheme.

Based on 3,155,155,055 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the number of issued Shares before the EGM, the maximum number of Shares that may be issued upon the exercise of the Options that may be granted under the New Share Option Scheme is 315,515,505 Shares, being 10% of the total number of issued Shares as at the date of the adoption of the New Share Option Scheme.

The aggregate number of Shares which may be issued upon the exercise of all Options that may be granted under the New Share Option Scheme has not exceeded 30% of the Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no outstanding share options granted but yet to be exercised under the Existing Share Option Scheme.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options under the New Share Option Scheme.

#### (b) Reasons for adopting the New Share Option Scheme

The Directors believe that the New Share Option Scheme will continue to provide Eligible Participants with the opportunity to participate in the growth of the Company by acquiring Shares which may, in turn, assist in attracting and retaining Eligible Participants who have made contributions to the success of the Company. The purpose of the New Share Option Scheme is to provide incentives to Eligible Participants to contribute further to the Company. To ensure this purpose is achieved, the Directors plan to grant Options to Eligible Participants who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group based on their performance and other factors (such as their years of service with the Company and/or work experience and/or knowledge in the industry etc.) that are relevant in deciding the contribution of such Eligible Participants.

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## LETTER FROM THE BOARD

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The New Share Option Scheme does not specify a minimum period for which the Options must be held nor a performance target which must be achieved before the Options can be exercised. However, the rules of the New Share Option Scheme provide that the Board may determine, at its sole discretion, such terms and conditions on the grant of the Options, including the minimum period for which the Options under the New Share Option Scheme must be held and/or the performance targets that must be achieved before such the Options can be exercised and/or any other terms which may be imposed. This determination may vary on a case by case basis but no such terms will be imposed the result of which will be to the advantage of the Eligible Participant. The basis for the determination of the subscription price (in compliance with Rule 17.03(9) of the Listing Rules) is specified in the rules of the New Share Option Scheme. With such authority and flexibility, the Board may impose different conditions for each Eligible Participant as it considers appropriate so as to provide incentives or rewards to such selected Eligible Participants for their contribution or potential contribution to the Group.

The Directors believe that the New Share Option Scheme will accord the Board flexibility in determining specific targets, parameters and conditions to which the specific grant of Options may be subject on a case-by-case basis. Accordingly, the Directors also believe that the New Share Option Scheme will continue to enable the Group to attract people who are valuable to the development of the Group and to maintain or attract business relationship with Eligible Participants whose contributions are or may be beneficial to the growth of the Group.

### **(c) Value of the Options**

As at the Latest Practicable Date, no Options under the New Share Option have been granted and thus, the Directors consider that it is not appropriate to state the value of the Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Options to be granted shall not be assignable, and no holder of the Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option. In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions, including the subscription price, the exercise period, lock-up period (if any), interest rate, expected volatility and other variables. As no Options had been granted as at the Latest Practicable Date under the New Share Option Scheme, certain variables are not available for calculating the value of the Options thereunder, the Directors believe that any calculation of the value of the Options under the New Share Option Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders and the investors of the Company.

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## LETTER FROM THE BOARD

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### **(d) Others**

None of the Directors are appointed as trustees of the New Share Option Scheme or have a direct or indirect interest in the trustees of the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) as at the Latest Practicable Date, the Company has no present intention to grant any Options under the New Share Option Scheme upon adoption of the New Share Option Scheme by Shareholders at the EGM; and (ii) no Shareholder is required to abstain from voting on the resolution approving the New Share Option Scheme.

A summary of the principal terms of the proposed New Share Option Scheme is set forth in the Appendix to this circular. There is no material difference between the terms of the Existing Share Option Scheme and the New Share Option Scheme, except for changes made primarily to bring them in line with changes to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and other relevant laws, regulations and the Listing Rules. The rules of the New Share Option Scheme proposed to be adopted by the Company at the EGM will be available for inspection at the Company's principal place of business in Hong Kong at Suite 7506, Level 75 International Commerce Centre, 1 Austin Road West Kowloon, Hong Kong during normal business hours from the Latest Practicable Date up to and including the date of EGM.

### **EGM**

The EGM will be held at Studio 3&5, 7th Floor, W Hong Kong, 1 Austin Road West, Kowloon, Hong Kong on Friday, 9 February 2018 at 3:00 p.m. at which the resolutions will be proposed for the purpose of considering, and if thought fit, approving the proposed adoption of the New Share Option Scheme. The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

### **VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the Company will exercise his right as a chairman of the EGM under the Articles to demand a poll on each of the resolutions to be proposed at the EGM unless the abovementioned reason arises. The Company will appoint scrutineers to handle vote-taking procedures at the EGM.



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## LETTER FROM THE BOARD

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On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each share registered in his/her name in the register. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in 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 circular 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 circular misleading.

### RECOMMENDATION

The Directors consider that the proposed resolutions as set out in the notice of the EGM for the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM.

Yours faithfully,

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

*The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by the Shareholders at the EGM:*

**(a) Purpose**

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognise and acknowledge the contributions the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The New Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

**(b) Who may join**

The Board may, at its discretion, offer to grant an Option to the Eligible Participants to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (e) below. An “Eligible Participant” means:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries.

Upon acceptance of the Option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an Option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the Option. To the extent that the offer to grant an Option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

**(c) Acceptance of an offer of Options**

An Option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the Options duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an Option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the Option. To the extent that the offer to grant an Option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditor to the Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

**(d) Maximum number of Shares**

The maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of the passing of the resolution for the adoption of the New Share Option Scheme (i.e. 315,515,505 Shares, assuming no further issue or buy-back of Shares from the Latest Practicable Date (or such number of Shares as shall result from a sub-division or a consolidation of such 315,515,505 Shares from time to time so that the maximum number of Shares that may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division shall be the same)). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (r) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the New Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditor of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (r) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

**(e) Maximum number of options to any one individual**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible

Participant in any 12-month period up to and including the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
  - (aa) the Eligible Participant's name, address and occupation;
  - (bb) the date on which an Option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
  - (cc) the date upon which an offer for an Option must be accepted;
  - (dd) the date upon which an Option is deemed to be granted and accepted in accordance with paragraph (c);
  - (ee) the number of Shares in respect of which the Option is offered;
  - (ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the Option;
  - (gg) the date of the notice given by the grantee in respect of the exercise of the Option; and
  - (hh) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

**(f) Price of Shares**

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the New Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

**(g) Granting options to connected persons**

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

**(h) Restrictions on the times of grant of Options**

A grant of options may not be made after a price sensitive event has occurred or after inside information has come to the knowledge of the Company until it has been published pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results or half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement, and where an option is granted to a Director:

- (i) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**(i) Rights are personal to grantee**

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

**(j) Time of exercise of Option and duration of the New Share Option Scheme**

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

**(k) Performance target**

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the New Share Option Scheme can be exercised.

**(l) Rights on ceasing employment or death**

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month from such cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation,

which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.



**(m) Rights on dismissal**

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, or has been convicted of any criminal offense involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

**(n) Rights on takeover**

If a general offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

**(o) Rights on winding-up**

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

**(p) Rights on compromise or arrangement between the Company and its members or creditors**

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than two business days prior to the proposed meeting),

exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which fails to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

**(q) Ranking of Shares**

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

**(r) Effect of alterations to capital**

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, sub-division or reduction of share capital of the Company in accordance with the legal requirements and requirements of the Stock Exchange, other than any alternation in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, such corresponding alterations (if any) shall be made to (a) the number or nominal amount of Shares subject to any options so far as unexercised; (b) the number of Shares subject to the New Share Option Scheme; (c) the subscription price per Share of each outstanding option; and/or (d) the method of exercise of the Options, provided that:

- (i) any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration;
- (ii) the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event;

- (iii) no such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations;
- (iv) the auditor of the Company or an independent financial adviser shall certify in writing to the Board to be that such adjustments made by the Company satisfy the requirements above and in their/his opinion fair and reasonable and in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditor of the Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees; and
- (v) any such alterations as a result of an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalization issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures and the acceptable adjustments set out in the supplementary guidance issued by the Stock Exchange on 5 September 2005 and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an Option is entitled to subscribe pursuant to the Options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**(s) Expiry of option**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (p) becomes effective;

- (iv) subject to paragraph (o), the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of the Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offense involving his or her integrity or honesty, or has been insolvent, bankrupt or has made compositions with his/her creditors generally or in relation to an employee of the Group (if so determined by the Board), any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

**(t) Alteration of the New Share Option Scheme**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the following alteration shall require approval of the Shareholders in general meeting:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted.

Specific terms of the New Share Option Scheme that may be altered by resolution of the Board without the approval of shareholders of the Company in general meeting, include amendments in order to comply with changes in legal or regulatory requirements.

If the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board or scheme administrator (if any) in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in general meeting.

**(u) Cancellation of Options**

Subject to paragraph (i) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (m).

**(v) Termination of the New Share Option Scheme**

The Company may by resolution in general meeting or the Board at any time terminate the New Share Option Scheme and in such event no further option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**(w) Administration of the Board**

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.



**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)**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of KWG Property Holding Limited (the “**Company**”) will be held at Studio 3&5, 7th Floor, W Hong Kong, 1 Austin Road West, Kowloon, Hong Kong on Friday, 9 February 2018 at 3:00 p.m. for the following purposes:

**Ordinary Business**

“**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular dispatched to the shareholders on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the Meeting and for the purpose of identification signed by the Chairman hereof (the “**Share Option Scheme**”), the Share Option Scheme be approved and adopted to be the share option scheme of the Company and that the Directors of the Company be authorised to grant options thereunder and to allot and issue shares pursuant to the Share Option Scheme and take all such steps as may be necessary or desirable to implement such Share Option Scheme.”

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

Hong Kong, 24 January 2018

*Principal place of business in Hong Kong:*  
Suite 7506, Level 75  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

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## NOTICE OF EGM

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**Notes:**

- (i) Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
- (ii) Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint persons be present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such shares of the Company shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarised copy thereof must be deposited at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- (iv) Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the EGM will demand a poll for each and every resolution put forward at the EGM pursuant to the Articles unless the abovementioned reason arises.
- (v) A circular containing the information regarding, *inter alia*, the proposed adoption of the new share option scheme will be sent to the shareholders of the Company.
- (vi) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.