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If you have sold or transferred all your shares in KWG Property Holding Limited, you should at once hand this circular and the accompanying Form of Election (if any) to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



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
He Wei Zhi

Independent non-executive Directors:

Lee Ka Sze, Carmelo
Tam Chun Fai
Li Bin Hai

Registered office:

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

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

25 June 2015

To the Shareholders,

Dear Sir or Madam,

FINAL SCRIP DIVIDEND WITH CASH OPTION FOR THE YEAR ENDED 31 DECEMBER 2014

Introduction

On 23 March 2015, the board of directors (the “*Board*”) of KWG Property Holding Limited (the “*Company*”) had resolved to recommend that a final dividend for the year ended 31 December 2014 (the “*Final Dividend*”) of RMB33 cents (equivalent to HK\$0.418149) per issued share of the Company (the

“Share”) be paid on or before 28 July 2015 to the shareholders of the Company (the “Shareholders”) whose names appear on the register of members of the Company at the close of the business on 16 June 2015. It was also resolved by the Board that the Final Dividend shall be satisfied by way of scrip dividend (with a cash option). An ordinary resolution to approve the Final Dividend was passed by the Shareholders at the annual general meeting of the Company held on 5 June 2015.

Particulars of the Final Dividend

Shareholders have the following choices in respect of the satisfaction of the Final Dividend:

- (i) an allotment and issue of new Shares (“New Shares”) credited as fully paid and having an aggregate Market Value (as defined below) equal to the total amount of the Final Dividend which Shareholders could elect to otherwise receive in cash in the amount of HK\$0.418149 per Share, subject to any fractional entitlement being disregarded as mentioned below; or
- (ii) payment of Final Dividend of HK\$0.418149 per Share held on 16 June 2015 in cash; or
- (iii) partly by allotment and issue of New Shares and partly by payment of cash.

For the purpose of calculating the number of New Shares to be allotted and issued, the market value (the “Market Value”) of a New Share means the average of the closing prices of one Share as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the trading days from 26 June 2015 to 3 July 2015 (both dates inclusive), rounding down such figure to four decimal places. It will not be possible to determine until the close of business on 3 July 2015 the exact number of New Shares to which a Shareholder, electing to receive New Shares, will be entitled. The Company will make an announcement, including information about the Market Value for the purpose of calculating the number of New Shares to be allotted by way of scrip dividend. The announcement will be made available on the websites of the Company and Hong Kong Exchanges and Clearing Limited on 3 July 2015. **The last day on which Shareholders will be entitled to elect how they wish to receive their entitlement to the Final Dividend is 13 July 2015.**

Accordingly, the number of New Shares which Shareholders will receive, in respect of the existing Shares registered in their names as at 16 June 2015 and for which elections to receive the Final Dividend in cash are not lodged with the Company’s branch share registrar in Hong Kong on or before 13 July 2015, will be calculated as follows:

$$\text{Number of New Shares to be received} = \frac{\text{Number of existing shares held on 16 June 2015 for which cash election is not made}}{\text{Market Value}} \times \text{HK\$0.418149}$$

The New Shares to be issued pursuant to the scrip dividend arrangements will rank pari passu in all respects with the existing issued Shares, except for the Final Dividend and will rank in full for all future dividends and distributions which may be declared, made or paid. No Shareholder will be entitled to be issued any fraction of a Share under the scrip dividend arrangements and the number of New Shares to be issued to each Shareholder (other than those who elect to receive their full entitlement to the Final Dividend in cash) shall be rounded down to the nearest whole number. Fractional entitlements to Shares will be disregarded and the benefit thereof will accrue to the Company.

Advantage of the Scrip Dividend

The election by Shareholders to receive the Final Dividend in whole or in part in the form of New Shares will enable Shareholders to increase their holdings of Shares without incurring brokerage fees, dealing costs or stamp duty. The Company will also benefit because, to the extent that Shareholders elect to receive New Shares, in whole or in part, such cash as would otherwise have been paid to Shareholders will be retained for use as working capital by the Company.

Effect of the Scrip Dividend

If elections to receive the Final Dividend in cash were received in respect of all the existing Shares registered as at 16 June 2015, the total cash dividend payable by the Company would be approximately HK\$1,232,494,453 based on 2,947,500,658 Shares in issue as at 16 June 2015.

Shareholders should note that the issue of the New Shares may give rise to notification requirements under the Securities and Futures Ordinance for those Shareholders who may have notifiable interests in the Company. Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.

Form of Election

Enclosed is a Form of Election. **No action is required if you wish the Final Dividend which you are entitled to receive to be wholly satisfied by an allotment of New Shares on the abovementioned basis. Otherwise, if you wish to receive such dividend wholly in cash in lieu of New Shares, or partly in cash with the balance satisfied by an allotment of New Shares, you must complete the enclosed Form of Election in accordance with the instructions printed thereon and lodge it with 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 not later than 4:30 p.m. on 13 July 2015.** If you complete the Form of Election but do not specify the number of Shares in respect of which you wish to receive the Final Dividend in cash, or if you elect to receive the Final Dividend in cash in respect of a greater number of Shares than your registered holding as at 16 June 2015, you will be deemed to have exercised your election to receive the Final Dividend in cash in lieu of new Shares in respect of all the Shares of which you were then registered as holders.

The enclosed Form of Election should be completed in accordance with the instructions printed thereon, returned to and received by the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 13 July 2015. No acknowledgement of receipt of the form of election will be issued.

The latest time for submission of the Form of Election will not be valid if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 13 July 2015. Instead the deadline for the submission of the election forms will be 5:00 p.m. on the same business day, i.e. Monday, 13 July 2015; or
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Monday, 13 July 2015. Instead the deadline for the submission of the election forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m., i.e. Tuesday, 14 July 2015.

No elections in respect of the Final Dividend may, after the relevant election forms are signed and returned to the Hong Kong branch share registrar of the Company, be in any way withdrawn, revoked, superseded or altered.

Shareholders Resident Outside Hong Kong

All Shareholders resident outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive Shares in satisfaction of the Final Dividend. No person receiving in any territory outside Hong Kong a copy of this circular and/or a Form of Election may treat the same as an offer to elect to receive the New Shares unless in the relevant territory such offer could lawfully be made to him without the Company having to comply with any registration or other legal, regulatory or governmental requirements or similar formalities.

This circular and Form of Election will not be registered in Hong Kong or any other jurisdiction. The Shares have not been registered under the applicable securities legislation of any jurisdictions other than Hong Kong. The Company has made enquiries with legal advisers where its overseas Shareholders are based regarding legal restrictions and regulatory requirements on the election of Shareholders resident outside Hong Kong to receive the Final Dividend in the form of New Shares arrangements as required by rule 13.36(2) of the Rules Governing the Listing of Securities on the Stock Exchange.

According to the Company's register of members, as at 16 June 2015, there were Shareholders whose registered addresses were outside Hong Kong (the "**Overseas Shareholders**"). Based on the advice of legal advisers where such Overseas Shareholders were based, the Overseas Shareholders are allowed to

participate in the arrangements to receive the Final Dividend in the form of New Shares. It is the responsibility of any Shareholders outside Hong Kong who wishes to receive New Shares under the scrip dividend arrangements to comply with the laws of the relevant jurisdictions including obtaining all necessary governmental or other regulatory consents and compliance with any other similar formalities. It is also the responsibility of any Shareholders outside Hong Kong who receive New Shares in lieu of the cash dividend comply with any restrictions on the resale of the Shares which may apply outside Hong Kong.

British Virgin Islands

No shares of the Company may be offered to the public in the British Virgin Islands for purchase or subscription except under circumstances that will result in compliance with the rules concerning offering of such securities in the British Virgin Islands and with the laws of the British Virgin Islands.

Taiwan

The offer of the New Shares to be issued pursuant to the scrip dividend arrangements has not been and will not be registered with the Financial Supervisory Commission of the Republic of China (Taiwan) pursuant to relevant securities laws and regulations and may not be offered or sold within the Republic of China (Taiwan) through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of the Republic of China (Taiwan) that requires a registration or approval of the Financial Supervisory Commission of the Republic of China (Taiwan).

Listing and Dealings

Subject to the granting of the listing of, and permission to deal in, the New Shares to be issued on the Stock Exchange, such New Shares to be issued by the Company will be admitted as eligible securities for deposit and settlement in the Central Clearing and Settlement System (the “*CCASS*”) established and operated by Hong Kong Securities Clearing Company Limited. Dealings in the Shares may be settled through CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed and dealt in on the Stock Exchange. Save as disclosed herein, no any part of equity or debt securities of the Company is listed or dealt in on the Stock Exchange or any other stock exchange nor is listing or permission to deal is being or is proposed to be sought. The issue of the New Shares is conditional upon the granting by the Listing Committee of the Stock Exchange of the listing of and permission to deal in the New Shares. An application will be made to the Stock Exchange for the listing of and permission to deal in the New Shares to be issued pursuant to the scrip dividend arrangement. It is expected that share certificates in respect of such New Shares and dividend warrants will be posted at the risk of those entitled thereto on or before 28 July 2015 and dealings in such New Shares is expected to commence on 29 July 2015. In the unlikely event that the New Shares are not admitted to listing by the Stock Exchange before 28 July 2015, the Forms of Election will be disregarded and the full cash dividend will be paid to the entitled Shareholders according to their registered shareholdings.

Recommendation and Advice

It is the Shareholders’ responsibility to decide in this regard whether or not to exercise their rights to receive the Final Dividend in cash in lieu of New Shares. Whether or not it is to the Shareholders’ advantage to receive cash or New Shares, in whole or in part, depends upon their own individual circumstances. The effect on the tax position of any Shareholder will depend on that Shareholder’s particular circumstances. If you are in any doubt as to what to do, you should consult your professional advisers. Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
For and on behalf of the Board
Kong Jian Min
Chairman

This document is in English and Chinese. In case of any inconsistency, the English version shall prevail.