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**GRANT OF AWARDED SHARES PURSUANT TO
THE SHARE AWARD SCHEME AND PROPOSED ISSUE OF
NEW SHARES UNDER THE SHARE AWARD SCHEME
PURSUANT TO GENERAL MANDATE**

On 18 October 2018, the Board resolved to grant 192,000 Awarded Shares to one Grantee pursuant to the Scheme Rules, in order to recognize the contributions of the Grantee and retain him for the continual operation and development of the Group. The Grantee is an employee of the Company, is not connected with the Company or connected persons of the Company.

The 192,000 new Awarded Shares to the Grantee shall be allotted and issued by the Company under the General Mandate, and represent (i) approximately 0.006% of the total number of Shares in issue as at the date of this announcement; (ii) approximately 0.006% of the total number of Shares in issue as enlarged by the allotment and issue of the new Awarded Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the allotment date of the new Shares, other than the allotment and issue of the new Awarded Shares); and (iii) approximately 0.006% of the total number of Shares in issue as enlarged by the allotment and issue of the new Awarded Shares (taking into account both the allotment and issuance of the new Awarded Shares and the proposed allotment and issuance of the 4,068,000 Shares as disclosed in the Company's announcement dated 21 September 2018).

GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME

Reference is made to the Announcement in relation to the adoption of the Share Award Scheme.

On 18 October 2018, the Board resolved to grant 192,000 Awarded Shares to one Grantee pursuant to the Scheme Rules, in order to recognize the contributions of the Grantee and retain him for the continual operation and development of the Group. The Grantee is an employee of the Company, and is not connected with the Company or connected persons of the Company.

The Share Award Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules, and is a discretionary scheme of the Company.

ISSUE OF THE NEW AWARDED SHARES UNDER GENERAL MANDATE

The 192,000 new Awarded Shares to the Grantee shall be allotted and issued by the Company under the General Mandate, and represent (i) approximately 0.006% of the total number of Shares in issue as at the date of this announcement; (ii) approximately 0.006% of the total number of Shares in issue as enlarged by the allotment and issue of the new Awarded Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to the allotment date of the new Shares, other than the allotment and issue of the new Awarded Shares); and (iii) approximately 0.006% of the total number of Shares in issue as enlarged by the allotment and issue of the new Awarded Shares (taking into account both the allotment and issuance of the new Awarded Shares and the proposed allotment and issuance of the 4,068,000 Shares as disclosed in the Company's announcement dated 21 September 2018).

THE AWARDED SHARES

Pursuant to the Scheme Rules, the Awarded Shares shall be granted to the Grantee for nil consideration. The new Awarded Shares shall be allotted and issued to the Trustee at nominal value of HK\$0.1 each. Based on the closing price of HK\$5.17 per Share as quoted on the Stock Exchange as at the date of this announcement, the market value of 192,000 new Awarded Shares allotted and issued is HK\$992,640. The nominal value of the new Awarded Shares is HK\$19,200. The average closing price of the Shares for the five consecutive trading days immediately preceding the date of this announcement as quoted on the Stock Exchange is approximately HK\$5.576 per Share.

VESTING DATE

The new Awarded Shares shall be vested in three tranches in accordance with the following dates: (i) one-third shall be vested on the first anniversary of the date of grant, i.e. 19 January 2019; (ii) one-third shall be vested on the second anniversary of the date of grant, i.e. 19 January 2020; and (iii) the remaining one-third shall be vested on the third

anniversary of the date of grant, i.e. 19 January 2021, or an earlier date as approved by the Board. The vesting of the Awarded Shares is subject to the conditions as set out in the Share Award Scheme and the fulfillment of such conditions as specified by the Board.

RANKING OF THE AWARDED SHARES

The new Awarded Shares, when issued and fully paid, shall rank *pari passu* among themselves and with those Shares in issue, with the right to receive all dividends and other distributions declared, made or paid on or after the allotment date.

CONDITIONS PRECEDENT

The allotment and issue of 192,000 new Awarded Shares to the Grantee shall be subject to the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in such Awarded Shares.

GENERAL MANDATE

Pursuant to the General Mandate, the Company is authorised to allot and issue up to 631,031,011 Shares, representing 20% of the total number of the issued Shares as at the date of the 2018 AGM. No Shares have been allotted and issued under the General Mandate as at the date of this announcement. Reference is also made to the Company's announcement dated 21 September 2018 in relation to, among other things, the proposed issue of 1,639,500 new Shares under the Share Award Scheme pursuant to General Mandate.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the 192,000 new Awarded Shares.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

REASONS FOR THE AWARD OF THE AWARDED SHARES

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, Jiaying, Taizhou, Jinan, Nanjing, Shenzhen, Changshu, Lishui, Chongqing, Taicang, Wuxi and Hong Kong.

The Share Award Scheme forms part of the incentive schemes of the Group. The Board considers that the award of the Awarded Shares to the Grantee recognises and motivates the contributions by certain Eligible Participants and to give incentives thereto in order to retain them for the continual operation and development of the Group. Furthermore, there will not be any actual cash outflow by the Group under the award of the Awarded Shares to provide incentives to the Grantee. In this regard, the Directors consider that the terms and conditions of the allotment and issue of new Awarded Shares are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Upon allotment and issue of the new Awarded Shares, the Trustee will hold the new Shares on trust for the Grantee and such new Awarded Shares shall be transferred to the Grantee at no consideration on the vesting dates. As such, no fund will be raised by the Company as a result of the allotment and issue of the Awarded Shares.

DEFINITIONS

“Announcement”	announcement of the Company dated 19 January 2018 in relation to the adoption of Share Award Scheme and the grant of Awarded Shares
“Awarded Shares”	the 192,000 Shares granted by the Company to the Grantee pursuant to the Scheme Rules
“Board”	the board of directors of the Company
“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Participant”	any Employee and non-executive director of the Company and/or any member of the Group (excluding any Excluded Participants) who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any member of the Group
“Employee”	any employee (whether full time or part time, including without limitation any executive director) of the Company and/or any member of the Group

“Excluded Participant”	any Employee and non-executive director of any member of the Group who has tendered his/her resignation or who has been given a notice of dismissal by the Company and/or the relevant member of the Group
“General Mandate”	the general mandate granted by the Shareholders to the Directors to allot, issue and otherwise deal with new Shares at the 2018 AGM
“Grantee”	the selected participant awarded the Awarded Shares under the Share Award Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Scheme Rules”	the rules governing the Share Award Scheme adopted by the Board
“Share Award Scheme”	the Share Award Scheme adopted by the Board on 19 January 2018 whereby awards of Shares may be made to Eligible Participants under the Share Award Scheme (such Shares being subscribed or purchased by the Trustee)
“Shareholder(s)”	the holder(s) of the Shares
“Shares”	ordinary shares of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the trustee for the time being of the Share Award Scheme, being Computershare Hong Kong Trustees Limited (which is independent and not connected with the Company and connected persons of the Company)

“2018 AGM” the annual general meeting of the Company held on 8 June 2018
“%” per cent.

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

Hong, Kong, 18 October 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.