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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you have sold or transferred** all your shares in **KWG Living Group Holdings Limited**, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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## **KWG Living Group Holdings Limited**

### **合景悠活集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3913)**

**(1) PROPOSALS FOR  
GENERAL MANDATES TO BUY BACK SHARES  
AND TO ISSUE SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
(3) ADOPTION OF SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting to be held at Verve, 5th Floor, W Guangzhou, 26 Xian Cun Road, Pearl River New Town, Tianhe District, Guangzhou, People's Republic of China on Thursday, 3 June 2021 at 3:00 p.m. is set out on pages 28 to 33 of this circular. A proxy form for use at the meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the appointed time for holding of the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

To safeguard the health and safety of the shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

- (i) Compulsory body temperature checks
- (ii) Wearing of surgical face masks
- (iii) No provision of refreshments and corporate gifts

Any attendee who does not comply with the precautionary measures (i) and (ii) above may be denied entry to the Annual General Meeting venue.

**For the health and safety of the shareholders, Shareholders are strongly encouraged to appoint the chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person. If any shareholder wishes to attend in person, the shareholder is advised to pay attention to the latest epidemic-control and protection arrangements implemented by the Central Government of the People's Republic of China and the Government of the Hong Kong Special Administrative Region.**

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders shall check the Company's website ([www.kwgliving.com](http://www.kwgliving.com)) and/or the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) for future announcements and updates on the Annual General Meeting arrangements.

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## DEFINITIONS

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

|                              |   |
|------------------------------|---|
| “Adoption Date”              | the date on which the Share Option Scheme will be approved and adopted by an ordinary resolution of the Shareholders  |
| “Annual General Meeting”     | the annual general meeting of the Company to be held at Verve, 5th Floor, W Guangzhou, 26 Xian Cun Road, Pearl River New Town, Tianhe District, Guangzhou, People’s Republic of China on Thursday, 3 June 2021 at 3:00 p.m. |
| “Articles of Association”    | the articles of association of the Company  |
| “associate(s)”               | has the meaning ascribed to it under the Listing Rules  |
| “Board”                      | the board of Directors  |
| “close associate(s)”         | has the meaning ascribed to it under the Listing Rules  |
| “Company”                    | KWG Living 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  |
| “Companies Law”              | the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands   |
| “connected person(s)”        | has the meaning ascribed to it under the Listing Rules  |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules  |
| “core connected person(s)”   | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”                | the director(s) of the Company  |
| “Eligible Participant”       | has the meaning ascribed to it under paragraph (b) of “APPENDIX III — SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME”  |
| “Group”                      | the Company and its subsidiaries from time to time  |
| “Hong Kong”                  | the Hong Kong Special Administrative Region of the People’s Republic of China   |

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## DEFINITIONS

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|---------------------------|---|
| “Issue Mandate”           | a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with additional Shares or to grant options and rights to subscribe for, or to convert securities into, additional Shares of not exceeding 20% of the total number of Shares in issue as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting |
| “Latest Practicable Date” | 26 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein   |
| “Listing Date”            | 30 October 2020, being the date of listing of the Shares on the main board of the Stock Exchange  |
| “Listing Rules”           | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited  |
| “Nomination Committee”    | the nomination committee of the Company   |
| “Option(s)”               | option(s) to be granted under the Share Option Scheme to subscribe for Shares pursuant to the Share Option Scheme   |
| “PRC”                     | the People’s Republic of China  |
| “Prospectus”              | the prospectus of the Company dated 19 October 2020   |
| “RMB”                     | Renminbi, the lawful currency of the PRC  |
| “SFO”                     | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”                | ordinary share(s) in the share capital of the Company   |
| “Share Buy-back Mandate”  | a general mandate to the Directors to exercise the power of the Company to buy back Shares with a total number of Shares of not exceeding 10% of the total number of Shares in issue as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting  |
| “Shareholder(s)”          | holder(s) of the Share(s)   |
| “Share Option Scheme”     | the share option scheme of the Company proposed to be adopted at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |

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## DEFINITIONS

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|------------------------------|--|
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Takeovers Code”             | The Codes on Takeovers and Mergers and Share Buy-backs |
| “%”                          | per cent   |



**KWG Living Group Holdings Limited**

**合景悠活集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3913)**

*Executive Directors:*

KONG Jiannan (*Chief Executive Officer*)  
YANG Jingbo  
WANG Yue

*Non-executive Director:*

KONG Jianmin (*Chairman*)

*Independent Non-executive Directors:*

LIU Xiaolan  
FUNG Che Wai, Anthony  
NG Yi Kum

*Registered Office:*

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

*Principal Place of Business in Hong Kong:*

Unit 8205A, Level 82  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

4 May 2021

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSALS FOR  
GENERAL MANDATES TO BUY BACK SHARES  
AND TO ISSUE SHARES;  
(2) RE-ELECTION OF DIRECTORS;  
(3) ADOPTION OF SHARE OPTION SCHEME;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this circular is to provide you with information regarding, *inter alia*, the Share Buy-back Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of Directors and the adoption of the Share Option Scheme.

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## LETTER FROM THE BOARD

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Reference is made to the Prospectus. By a written resolution passed by the Shareholders on 9 October 2020, ordinary resolutions were passed granting general mandates to the Directors, among others, (i) to buy back Shares of not more than 10% of the total number of Shares in issue immediately following the completion of the Capitalization Issue (as defined in the Prospectus) and the Global Offering (as defined in the Prospectus) (without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option (as defined in the Prospectus)); and (ii) to allot, issue and deal with additional Shares not more than 20% of the total number of Shares in issue immediately following the completion of the Capitalization Issue (as defined in the Prospectus) and the Global Offering (as defined in the Prospectus)(without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option (as defined in the Prospectus)). Such general mandates will lapse at the conclusion of the forthcoming Annual General Meeting. Ordinary resolutions will therefore be proposed at the Annual General Meeting to renew the Share Buy-back Mandate and the Issue Mandate.

### **SHARE BUY-BACK MANDATE**

An ordinary resolution will be proposed at the Annual General Meeting for the Shareholders to consider and, if thought fit, grant the Share Buy-back Mandate. The Shares which may be bought back pursuant to the Share Buy-back Mandate not exceeding 10% of the total number of Shares in issue on the date of passing the resolution approving the Share Buy-back Mandate.

As at the Latest Practicable Date, the total number of Shares in issue was 2,017,810,233 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Share Buy-back Mandate and no further Shares are issued or bought back prior to the Annual General Meeting, the maximum number of Shares which may be bought back pursuant to the Share Buy-back Mandate will be 201,781,023 Shares. An explanatory statement as required under the Listing Rules giving certain information regarding the Share Buy-back Mandate is set out in Appendix I to this circular.

The Share Buy-back Mandate will expire upon whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and (iii) the date on which the authority given under the ordinary resolution approving the Share Buy-back Mandate is revoked or varied by an ordinary resolution of the Shareholders.

### **ISSUE MANDATE**

An ordinary resolution will be proposed at the Annual General Meeting for the Shareholders to consider and, if thought fit, grant the Issue Mandate. The additional Shares or rights to subscribe for, or to convert securities into, additional Shares which may be allotted and issued pursuant to the Issue Mandate not exceeding 20% of the total number of Shares in issue on the date of passing the resolution approving the Issue Mandate.

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## LETTER FROM THE BOARD

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The Issue Mandate will expire upon whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by the any applicable laws to be held; and (iii) the date on which the authority given under the ordinary resolution approving the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders.

Subject to the passing of the aforesaid ordinary resolutions of the Share Buy-back Mandate and Issue Mandate, an ordinary resolution will be proposed at the Annual General Meeting for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding the number of Shares bought back under the Share Buy-back Mandate, if granted, to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Issue Mandate.

### **RE-ELECTION OF DIRECTORS**

In accordance with Article 84 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting of the Company at least once every three years, and accordingly, Mr. KONG Jiannan, Ms. YANG Jingbo and Mr. WANG Yue will retire from office by rotation and being eligible, offer themselves for re-election at the Annual General Meeting.

Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

The Nomination Committee, having reviewed the Board's composition, nominated Mr. KONG Jiannan, Ms. YANG Jingbo and Mr. WANG Yue to the Board for it to recommend to Shareholders for re-election at the Annual General Meeting.

The nominations were made in accordance with the nomination policy of the Company and the diversity aspects (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience and qualification, skills, knowledge) as set out in the board diversity policy of the Company. The Nomination Committee and the Board had also taken into account their respective contributions to the Board and their commitment to their roles.



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## LETTER FROM THE BOARD

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### **ADOPTION OF SHARE OPTION SCHEME**

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

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 Share Option Scheme, the principal terms of which are set out in Appendix III to this circular.

The adoption of the Share Option Scheme is conditional upon the approval of the proposed adoption of the Share Option Scheme by the Shareholders at the Annual General Meeting.

Based on 2,017,810,233 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the number of Shares in issue prior to the Annual General Meeting, the maximum number of Shares that may be issued upon the exercise of the Options that may be granted under the Share Option Scheme is 201,781,023 Shares, being 10% of the total number of Shares in issue as at the Adoption Date.

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

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

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

The Directors believe that the 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 or are valuable or beneficial to the growth of the Group. The purpose of the Share Option Scheme is to provide incentives or rewards to Eligible Participants to contribute 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.

The 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, under the Share Option Scheme, the Board may determine, at its sole discretion, such terms and conditions on the grant of the Options, including the minimum period of the Options to be held, the performance targets to be achieved before such Options can be exercised and/or any other terms which may be imposed in order to motivate the Eligible Participants to optimise their performance efficiency for the benefit of the

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## LETTER FROM THE BOARD

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Group and attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. 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 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 which serve the purpose of the Share Option Scheme. The Directors considers that this 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.

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

As at the Latest Practicable Date, no Options under the Share Option Scheme 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 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 and may be misleading to the Shareholders and the investors of the Company, 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 Share Option Scheme, certain variables are not available for calculating the value of the Options thereunder.

### **(d) Others**

None of the Directors are appointed as trustees of the Share Option Scheme or have a direct or indirect interest in the trustees of the 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 Share Option Scheme upon adoption of the Share Option Scheme by Shareholders at the Annual General Meeting; and (ii) no Shareholder is required to abstain from voting on the resolution approving the Share Option Scheme.

A summary of the principal terms of the proposed Share Option Scheme is set forth in Appendix III to this circular. A copy of the rules of the Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at Unit 8205A, Level 82, 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 the Annual General Meeting.

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## LETTER FROM THE BOARD

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### ANNUAL GENERAL MEETING

The Annual General Meeting will be held at Verve, 5th Floor, W Guangzhou, 26 Xian Cun Road, Pearl River New Town, Tianhe District, Guangzhou, People's Republic of China on Thursday, 3 June 2021 at 3:00 p.m.. Notice of the Annual General Meeting is set out on pages 28 to 33 of this circular.

Pursuant to a shareholders' agreement entered into among Plus Earn Consultants Limited, Hero Fine Group Limited, Right Rich Consultants Limited, Excel Wave Investments Limited, Wealth Express Investments Limited and Peace Kind Investments Limited on 14 October 2020, the parties thereto shall vote at general meetings of the Company according to the instruction of whichever party thereto holds the most Shares from time to time. As at the Latest Practicable Date, the aforementioned parties in aggregate are entitled to exercise the voting rights of approximately 52.69% of the issued share capital of the Company.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the Annual General Meeting will exercise his power under Article 66 of the Articles of Association to put each of the resolutions to be proposed at the Annual General Meeting to be voted by way of a poll. The results of the poll will be published on the Company's website ([www.kwgliving.com](http://www.kwgliving.com)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) pursuant to Rule 13.39(5) of the Listing Rules.

A proxy form for use at the Annual General Meeting is enclosed. It can also be downloaded from the Company's website ([www.kwgliving.com](http://www.kwgliving.com)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and delivery of the proxy form will not preclude you from attending and voting in person at the Annual General Meeting or at any adjournment thereof if you so wish.

### 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 Company. 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.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Board considers that (i) the granting of the Share Buy-back Mandate; (ii) the granting of the Issue Mandate; (iii) re-election of Directors; and (iv) adoption of the Share Option Scheme are in the best interests of the Company and its shareholders as a whole and recommends Shareholders to vote in favour of the proposed resolutions.

By order of the Board  
**KWG Living Group Holdings Limited**  
**KONG Jianmin**  
*Chairman*

*This explanatory statement provides information required under the Listing Rules to be given to Shareholders in connection with the proposed Share Buy-back Mandate to be granted to the Directors.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total number of 2,017,810,233 Shares in issue. Subject to the passing of the ordinary resolution approving the Share Buy-back Mandate and on the basis that no further Shares are issued and no Shares are bought back prior to the Annual General Meeting, the Company would be authorized under the Share Buy-back Mandate to buy back a maximum of 201,781,023 Shares.

## **2. REASONS FOR SHARE BUY-BACK**

The Directors believe that the Share Buy-back Mandate is in the best interests of the Company and the Shareholders. Buy-back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share, and will only be made when the Directors believe that such buy-back of Shares will benefit the Company and its Shareholders.

## **3. FUNDING OF SHARE BUY-BACK**

In buying-back Shares, the Company may only apply funds which are legally available for such purpose in accordance with the Articles of Association, the laws of the Cayman Islands, the Listing Rules and/or any other applicable laws, as the case may be. The Articles of Association and the applicable laws of the Cayman Islands provide that payment for a share buyback may only be made out of profits or the proceeds of a new issue of shares made for such purpose, or subject to the applicable laws of the Cayman Islands, out of capital of the Company. In the case of any premium payable on buy back of shares, such amount of premium may only be paid out of either the profits or out of the share premium of the Company, or subject to the Companies Law, out of capital of the Company.

In addition, under the applicable laws of the Cayman Islands, payment out of capital by a company for the buy back of its own shares by a company is unlawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the applicable laws of the Cayman Islands, the shares so bought back would be treated as cancelled but the aggregate amount of authorized share capital would not be reduced.

There might have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2020 as contained in the 2020 annual report of the Company) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, have

a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the period from the Listing Date and up to the Latest Practicable Date were as follows:

|   | Share Prices<br>(per Share) |                       |
|---|-----------------------------|-----------------------|
|   | Highest<br><i>HK\$</i>      | Lowest<br><i>HK\$</i> |
| <b>2020</b>                               |                             |                       |
| October (from the Listing Date)           | 7.000                       | 6.080                 |
| November                                  | 6.490                       | 5.160                 |
| December                                  | 6.430                       | 5.080                 |
| <b>2021</b>                               |                             |                       |
| January                                   | 9.180                       | 5.840                 |
| February                                  | 9.870                       | 8.100                 |
| March                                     | 9.800                       | 6.870                 |
| April (up to the Latest Practicable Date) | 8.300                       | 7.410                 |

#### 5. UNDERTAKING

The Board has undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Buy-back Mandate in accordance with the Listing Rules, the Articles of Association, and the applicable Laws of the Cayman Islands. None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their close associates, have any present intention to sell any Shares to the Company under the Share Buy-back Mandate if it is approved by the Shareholders.

No core connected person has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders.

#### 6. THE TAKEOVERS CODE

If, as a result of a buy-back of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of shareholding interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. KONG Jianmin, Mr. KONG Jiantao and Mr. KONG Jiannan, acting in a consensual manner, are entitled to exercise the voting rights of approximately 52.83% of the issued share capital of the Company through various investment holding companies controlled by them, and together they constitute a group of controlling shareholders of the Company (the “**Controlling Shareholders Group**”). Based on such shareholdings and assuming that there is no change in the number of the issued Shares after the Latest Practicable Date, in the event that the Directors will exercise in full the Share Buy-back Mandate if so approved at the Annual General Meeting, the interest in the Company of the Controlling Shareholders Group would be increased to approximately 58.70% of the issued Shares and such increase will not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The Listing Rules prohibit a company from conducting a share buy-back on the Stock Exchange if the result of the share buy-back would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to buy back Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

#### **7. SHARE BUY-BACK MADE BY THE COMPANY**

The Company has not made any buy-back of Shares during the period from the Listing Date and up to the Latest Practicable Date.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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*The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:*

**KONG Jiannan**, aged 55, was appointed as a Director in September 2019 and was re-designated as an executive Director and chief executive officer in June 2020. He is responsible for the overall management and operation of the Group. He currently holds directorships in various subsidiaries of the Group.

Mr. Kong has over 20 years of experience in the real estate industry. He joined the Group in May 2004 as a director of Guangzhou Ningjun Property Management Company Limited\* (廣州市寧駿物業管理有限公司) (“**Ningjun Property**”), where he was primarily responsible for the overall management of Ningjun Property. Prior to joining the Group, from September 1984 to October 1997, he worked at the Dongshan District Justice Bureau (東山區司法局) in Guangzhou, the PRC, where he last served as a section chief. From November 1997 to June 2007, he served as a director of Guangzhou Hejing Real Estate Co., Ltd. (廣州合景房地產開發有限公司), a subsidiary of KWG Group Holdings Limited (“**KWG Holdings**”), where he was primarily responsible for coordinating and managing human resources, administrative management and IT management. Since June 2007, he has been an executive director and an executive vice president of KWG Holdings, where he is responsible for coordinating and managing human resources, administrative management, IT management and legal affairs.

Mr. Kong has been a president of the 17th General Committee of Hong Kong Industrial & Commercial Association (香港工商總會) since August 2019, and an executive council member of the 2nd Council of Happy Hong Kong Foundation (築福香港基金會) since September 2018. He has also been a council member of Guangzhou Chuanshuo Children’s Culture Foundation (廣州船說少兒文化基金會) since March 2017.

Mr. Kong graduated from the Guangzhou Radio and TV University (廣州市廣播電視大學) (also known as the Open University of China (Guangzhou) (國家開放大學(廣州))) in the PRC majoring in law in October 1988.

Mr. Kong is the brother of Mr. Kong Jianmin, the non-executive Director and Chairman of the Board.

As of the Latest Practicable Date, Mr. Kong is deemed to be interested in a total of 1,063,699,546 Shares within the meaning of Part XV of the SFO.

Mr. Kong has entered into a service agreement with the Company for a term of three years subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Kong’s emoluments are determined by reference to his experience, duties and responsibilities and the prevailing market conditions in accordance with the Company’s remuneration policy. Pursuant to the service agreement with the Company, Mr. Kong is entitled to receive a basic annual director’s fee of HK\$150,000.



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## APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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**YANG Jingbo**, aged 43, was appointed as an executive Director in June 2020. She was the general manager of the financial management center of the Group and was then promoted as the Chief Financial Officer of the Group on 24 March 2021, responsible for the finance and treasury matters of the Group. She currently holds directorships in certain subsidiaries of the Group.

Ms. Yang has over 19 years of experience in the real estate industry. She joined the Group in September 2009 as the senior tax manager of the Group. From September 2009 to February 2020, she successively served as the senior tax manager, the deputy general manager of financial sharing center and the general manager of finance and tax. She was appointed as the general manager of the financial management center of the Group in February 2020. Prior to joining the Group, from July 2000 to September 2009, she served as manager of finance and tax of the Guangzhou regional branch (廣州地區公司) of Hopson Development Holdings Limited (合生創展集團有限公司), a property developer whose shares are listed on the main board of the Stock Exchange (stock code: 0754), where she was primarily responsible for financial and tax management.

Ms. Yang is currently a member of the China Real Estate Industry Tax Compliance Promotion Committee (中國房地產開發行業稅法遵從提升委員會). She has been the vice president as well as the president of South China division of the Communication Platform of the Corporate Chief Tax Officer (企業稅務總監交流平台) since October 2019. She was a deputy supervisor of Financial Management Committee of Guangdong Real Estate Association (廣東省房地產行業協會財務管理專業委員會) from July 2015 to June 2018. Ms. Yang is a main author of the publications namely Analysis of the Practical Points of Collecting Value-added Tax in lieu of Business Tax (《營改增實務點解構》) and Practice of the Filing of Returns of Individual Income Tax on Comprehensive Income on a Consolidated Basis (《個人所得稅綜合所得滙算清繳實務》).

Ms. Yang obtained a bachelor's degree in auditing from Guangdong Business College (廣東商學院) (now known as Guangdong University of Finance & Economics (廣東財經大學)) in the PRC in June 2000, and an executive master of business administration degree from Jinan University (暨南大學) in the PRC in December 2015. She obtained a qualification of intermediate accountant granted by the Ministry of Finance of the PRC (中華人民共和國財政部) in May 2006, a qualification of certified internal auditor granted by the Institute of Internal Auditors in November 2006 and a qualification of tax accountant granted by the China Association of Chief Financial Officers (中國總會計師協會) in June 2010.

As at the Latest Practicable Date, Ms. Yang did not have, and was not deemed to have any interests in any Shares within the meaning of Part XV of the SFO.

Ms. Yang has entered into a service agreement with the Company for a term of three years subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Yang's emoluments are determined by reference to her experience, duties and responsibilities and the prevailing market conditions in accordance with the Company's remuneration policy. Pursuant to the service agreement with the Company, Ms. Yang is entitled to receive a basic annual director's fee of HK\$150,000.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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**WANG Yue**, aged 39, was appointed as an executive Director in June 2020. He was the general manager of the residential property management department of the Group and was then promoted as the Vice President of the Group on 24 March 2021, responsible for the residential property management matters of the Group.

Mr. Wang has over 11 years of experience in the property management industry. Mr. Wang joined the Group in June 2016 as the deputy general manager of the residential property management department of the Group. Prior to joining the Group, from August 2008 to July 2011, he served as a regional manager of the Beijing branch of Changcheng Property Group Co., Ltd. (長城物業集團股份有限公司), a property management service provider in the PRC, where he was responsible for overseeing the daily operation. From August 2011 to May 2016, he worked at Beijing Longfor Property Services Co., Ltd. (北京龍湖物業服務有限公司), a subsidiary of (Longfor Group Holdings Limited (龍湖集團控股有限公司)), a property developer in the PRC whose shares are listed on the main board of the Stock Exchange (stock code: 0960), where he last served as the director of the company's property management division, and he was responsible for overseeing the operation and management of regional companies of the group.

Mr. Wang obtained a qualification of property manager granted by the Beijing Municipal Human Resources and Social Security Bureau (北京市人力資源和社會保障局) in October 2010 and a qualification of certified property manager granted by the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部) in February 2014.

Mr. Wang obtained a bachelor's degree in business administration from Beijing University of Chemical Technology (北京化工大學) in the PRC in January 2008. He is pursuing a master's degree in business administration through long distance learning program in Business School Netherlands in Netherlands.

As at the Latest Practicable Date, Mr. Wang did not have, and was not deemed to have any interests in any Shares within the meaning of Part XV of the SFO.

Mr. Wang has entered into a service agreement with the Company for a term of three years subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Wang's emoluments are determined by reference to his experience, duties and responsibilities and the prevailing market conditions in accordance with the Company's remuneration policy. Pursuant to the service agreement with the Company, Mr. Wang is entitled to receive a basic annual director's fee of HK\$150,000.

Save as disclosed above, all the retiring Directors did not hold any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas, and do not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save as disclosed above, there is no other information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters concerning the retiring Directors that need to be brought to the attention of the Shareholders.

\* *for identification purpose only*

*The following is a summary of the principal terms of the Share Option Scheme proposed to be approved by the Shareholders at the Annual General Meeting.*

**(a) Purpose**

The 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 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 (f) below. An “Eligible Participant” means:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; and
- (ii) any directors (including executive directors, non-executive directors and independent non-executive directors) of 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.

**(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 or payment 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 remittance or 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 or payment 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 or payment 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 authorized share capital of the Company.

**(d) Maximum number of Shares**

The maximum number of Shares in respect of which Options and options may be granted under other 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 Share Option Scheme (i.e. 201,781,023 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 201,781,023 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 Share Option Scheme and options to be granted under other schemes of the Company as a percentage of the total number of Shares in issue 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 Share Option Scheme and other 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 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 sub-division, consolidation of shares, capitalisation issue, rights issue 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 Share Option Scheme and other 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 number of and terms of the Options to be granted (and Options previously granted to such participant), the information as required under Rule 17.02(2)(d) and the disclaimer required under Rule 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/her close associates (or his/her associates if the Eligible Participant is a connected person) abstaining from voting. The number 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.

**(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 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 highest of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet 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 quotations sheet 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 of the Company or any of their respective associates 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 which will result in the number of Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and other schemes of the Company 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 as stated in the daily quotation sheets of the Stock Exchange on 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 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 such parties may vote against the relevant resolution at the general meeting provided that his/her 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) 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 Rules 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 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 actual date of publication of such 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 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 Share Option Scheme**

An Option may be exercised in accordance with the terms of the 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 Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the Adoption Date.

**(k) Performance target**

A grantee may be required to achieve any performance targets as the Board may then specify such in the offer letter of the grant before any Options granted under the 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/her 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/her 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/she has been guilty of serious misconduct, or in relation to an employee of the Group on any other grounds as determined by the Board that would warrant the termination of his/her 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 offence involving his/her integrity or honesty or has been insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally, his/her Option will lapse and not be exercisable after the date of termination of his/her 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/her legal personal representative(s)) shall be entitled to exercise all or any of his/her Options (to the extent not already exercised) at any time not later than 2 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 or payment for the full amount of the aggregate exercise 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 or payment for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given (such notice to be received by the Company not later than 2 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 endeavour to procure that the Shares issued as a result of the exercise of the Options for the purposes of the proposed meeting.

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**

No dividend shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option will not carry voting or other 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, open offer, consolidation of shares, 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 in (a) the number of Shares subject to any Options so far as unexercised; (b) and/or the exercise price per Share of each outstanding Option, 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 exercise 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;
- (iv) any such alterations as a result of an issue of securities with a price-dilutive element, such as rights issue, open offer or capitalisation issue, should be made in accordance with the Listing Rules, the supplementary guidance issued on 6 November 2020 and any further guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (v) other than adjustments made on a capitalisation issue, 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 6 November 2020 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.

**(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 the termination of his/her employment or contract on any one or more of the grounds that he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or has been insolvent, bankrupt or has made arrangements or compositions with his/her creditors generally or in relation to an employee of the Group, any other grounds as determined by the Board that would warrant the termination of his/her 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 or the board of directors of the relevant subsidiary(ies) 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 Share Option Scheme**

The 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 Share Option Scheme or any change to the terms of Options granted.

Specific terms of the Share Option Scheme that may be altered by resolution of the Board without the approval of Shareholders 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 Share Option Scheme. The amended terms of the 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 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 (i).

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

The Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further Option shall be offered but the provisions of the 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 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 Share Option Scheme.

**(w) Administration of the Board**

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



## KWG Living Group Holdings Limited

### 合景悠活集團控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3913)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the “**Annual General Meeting**”) of KWG Living Group Holdings Limited (the “**Company**”) will be held at Verve, 5th Floor, W Guangzhou, 26 Xian Cun Road, Pearl River New Town, Tianhe District, Guangzhou, People’s Republic of China on Thursday, 3 June 2021 at 3:00 p.m., for the following purposes:

#### **ORDINARY RESOLUTION**

1. To receive and consider the audited consolidated financial statements for the year ended 31 December 2020 together with the Report of the directors of the Company (“**Directors**”) and Independent Auditor’s Report.
2. To declare a final dividend of RMB6 cents per ordinary share for the year ended 31 December 2020.
3.
  - (a) To re-elect Mr. KONG Jiannan as an executive Director.
  - (b) To re-elect Ms. YANG Jingbo as an executive Director.
  - (c) To re-elect Mr. WANG Yue as an executive Director.
  - (d) To authorize the board of Directors to fix the Directors’ fees.
4. To re-appoint Ernst & Young as auditor of the Company and authorize the Board of Directors to fix its remuneration.

To consider and, if thought fit, to pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**THAT:**
  - (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to buy back its own shares, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as amended from time to time, be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors of the Company and shall authorize the Directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by its Directors;
- (c) the total number of the shares of the Company which are authorized to be bought back by the Directors of the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable laws of the Cayman Islands to be held; or
  - (iii) the date on which the authority set out in this resolution is revoked, varied or renewed by an ordinary resolution of the Shareholders of the Company in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make, issue or grant offers, agreements or options (including but not limited to warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorization given to the Directors during the Relevant Period (as hereinafter defined) and shall authorize the Directors to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the shares in the capital of the Company to be issued or allotted either during or after the end of the Relevant Period (as hereinafter defined);

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(c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked, varied or renewed by an ordinary resolution of the Shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities of the Company giving the right to subscribe for shares of the Company, open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”



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7. “**THAT** conditional upon the passing of resolutions nos. 5 and 6 of this notice being passed, the general mandate granted to the Directors pursuant to resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the total number of shares of the Company bought back by the Company under the authority granted pursuant to the resolution no. 5, provided that such amount shall not more than 10% of the total number of shares of the Company in issue as at the date of the passing of this resolution.”
8. “**THAT** conditional upon The Stock Exchange of Hong Kong Limited granting the 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 despatched 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 Annual General Meeting and for the purpose of identification initialled by the chairman of the Annual General Meeting hereof (the “**Share Option Scheme**”):
- (i) the Share Option Scheme be approved and adopted to be the share option scheme of the Company and that the Directors be authorized to grant options thereunder and to allot and issue Shares of the Company pursuant to the Share Option Scheme and take all such steps as may be necessary or desirable to implement such Share Option Scheme subject to the terms of the Share Option Scheme and Chapter 17 of the Listing Rules (as amended from time to time); and
  - (ii) the Directors be and are hereby authorized to grant options to subscribe for Shares in accordance with the rules of the Share Option Scheme up to a maximum of 10% of the shares of the Company in issue as at the date of passing of this resolution, to allot and issue shares of the Company pursuant to the exercise of the options so granted, to administer the Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit.”

By order of the Board  
**KWG Living Group Holdings Limited**  
**KONG Jianmin**  
*Chairman*

Hong Kong, 4 May 2021

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*Notes:*

1. Any shareholder of the Company (the “**Shareholders**”) entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her, a proxy need not be a shareholder of the Company.
2. In case of joint registered holders of any shares of the Company, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint persons be present at the Annual General Meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. To be valid, this Proxy Form duly completed and signed in accordance with the instructions printed hereon together with the power of attorney or other authority, if any, under which it is signed or a notarized copy thereof must be delivered to the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof (as the case may be).
4. Completion and delivery of this Proxy Form will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned thereof if you so wish. In such event, this Proxy Form shall be deemed to be revoked.
5. The register of members of the Company will be closed for the following periods:
  - (i) For the purpose of ascertaining Shareholders’ entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 31 May 2021 to Thursday, 3 June 2021 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates (together the “**Share Transfer Documents**”) must be lodged with the Company’s Hong Kong share registrar (“**Hong Kong Share Registrar**”), Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 28 May 2021.
  - (ii) For the purpose of ascertaining Shareholders’ entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 21 July 2021 to Friday, 23 July 2021 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, the Share Transfer Documents must be lodged with the Hong Kong Share Registrar at the address specified above not later than 4:30 p.m. on Tuesday, 20 July 2021.
6. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the shareholders at the Annual General Meeting must be taken by poll. The chairman of the Annual General Meeting will exercise his power under Article 66 of the Company’s articles of association to put each of the above resolutions to be proposed at the Annual General Meeting to be voted by way of a poll.
7. The Chinese version of this notice is for reference only. Should there be any discrepancies, the English version shall prevail.

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### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of the shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting:

- (i) Compulsory body temperature checks
- (ii) Wearing of surgical face masks
- (iii) No provision of refreshments and corporate gifts

Any attendee who does not comply with the precautionary measures (i) and (ii) above may be denied entry to the Annual General Meeting venue.

**For the health and safety of the shareholders, Shareholders are strongly encouraged to appoint the chairman of the Annual General Meeting as their proxy instead of attending the Annual General Meeting in person. If any shareholders wishes to attend in person, the shareholder is advised to pay attention to the latest epidemic-control and protection arrangements implemented by the Central Government of the People's Republic of China and the Government of the Hong Kong Special Administrative Region.**

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the Annual General Meeting arrangements at short notice. Shareholders shall check the Company's website ([www.kwgliving.com](http://www.kwgliving.com)) and/or the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) for future announcements and updates on the Annual General Meeting arrangements.