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No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to that Shareholder without Poly Property Group Co., Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including any applicable procedures or any other similar formalities.



Poly Property Group Co., Limited

保利置業集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00119)

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2021**

DEFINITIONS

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

“2021 Final Dividend”	the final dividend of HK13.5 cents per Share for the year ended 31 December 2021 (with a scrip option)
“Board”	the board of Directors
“CCASS”	Central Clearing and Settlement System
“Company”	Poly Property Group Co., Limited, a company incorporated in Hong Kong with limited liability and whose Shares are listed on the main board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Election Form(s)”	the form(s) of election in relation to the Scrip Dividend Scheme
“Eligible Shareholder(s)”	Shareholder(s) whose name(s) appeared on the register of members of the Company on the Record Date (except Shareholder(s) with registered address(es) in the United States of America)
“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 People’s Republic of China
“Latest Practicable Date”	22 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular prior to its publication
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Eligible Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong or who was/were otherwise residing outside Hong Kong
“PRC”	The People’s Republic of China
“Record Date”	Wednesday, 15 June 2022

DEFINITIONS

“Scrip Dividend Scheme”	the payment of the 2021 Final Dividend to the Eligible Shareholder(s) in cash, with an option given to the Eligible Shareholder(s) to receive their 2021 Final Dividend wholly by the allotment of Scrip Shares in lieu of cash, or partly in cash and partly in Scrip Shares
“Scrip Share(s)”	the new fully paid Share(s) to be allotted and issued under the Scrip Dividend Scheme
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s share registrar and transfer office in Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

EXPECTED TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable and is indicative only:

Event	Date
Fix the market value of a Scrip Share (5 trading days average)	Thursday, 9 June 2022 to Wednesday, 15 June 2022 (both dates inclusive)
Closure of the register of members of the Company	Monday, 13 June 2022 to Wednesday, 15 June 2022 (both dates inclusive)
Record Date for determination of entitlements to the 2021 Final Dividend	Wednesday, 15 June 2022
Latest time for returning the Election Form to the Share Registrar (<i>Note 2</i>)	4:30 p.m. on Thursday, 14 July 2022
Despatch of share certificates for Scrip Shares and cheques for cash dividend.	Wednesday, 27 July 2022
Expected first day of dealings in Scrip Shares	Thursday, 28 July 2022

Notes:

1. All times and dates in this circular refer to Hong Kong local times and dates.
2. The Election Forms should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 14 July 2022. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force at or at any time prior to 4:30 p.m. on Thursday, 14 July 2022, the deadline for returning the Election Forms will be changed. Further information is set out in paragraph 6 headed "Election Form" of the "Letter from the Board".



Poly Property Group Co., Limited

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(Incorporated in Hong Kong with limited liability)

(Stock Code: 00119)

Executive Directors:

WAN Yuqing (*Chairman*)

WANG Jian (*Managing Director*)

YE Liwen

Non-Executive Director:

GUO Jianquan

Independent Non-Executive Directors:

IP Chun Chung, Robert

FUNG Chi Kin

LEUNG Sau Fan, Sylvia

WONG Ka Lun

Registered Office:

Room 2503

Admiralty Centre

Tower 1

18 Harcourt Road

Hong Kong

29 June 2022

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME
IN RELATION TO THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. INTRODUCTION

The Company announced on 24 March 2022 that the Board had resolved to recommend the 2021 Final Dividend of HK13.5 cents per Share. The Board had further resolved that the 2021 Final Dividend will be paid in cash but Eligible Shareholders will be given the option of receiving the 2021 Final Dividend wholly by the allotment of Scrip Shares in lieu of cash, or partly in cash and partly in Scrip Shares. For the purpose of ascertaining Shareholder's entitlement of the 2021 Final Dividend, the register of members of the Company was closed from Monday, 13 June 2022 to Wednesday, 15 June 2022 (both dates inclusive) and the Record Date for such entitlements was Wednesday, 15 June 2022.

LETTER FROM THE BOARD

As announced by the Company on 25 May 2022, the 2021 Final Dividend were approved by the Shareholders and declared at the annual general meeting of the Company held on 25 May 2022.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the actions which should be taken by the Shareholders in relation thereto.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, Eligible Shareholders have the following choices in respect of the 2021 Final Dividend:

- (a) cash of HK13.5 cents (2021 Final Dividend) for each Share held on the Record Date; or
- (b) allotment of Scrip Shares (the number of which is determined as explained below); or
- (c) partly in cash and partly in Scrip Shares.

For the purpose of calculating the number of Scrip Shares to be allotted under (b) and (c) above, the allotment price of the Scrip Shares has been fixed at HK\$1.74 per Share (the “Average Closing Price”), which is the average value of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days ended on (and including) Wednesday, 15 June 2022. Accordingly, the number of Scrip Shares which the Eligible Shareholders will receive in respect of their existing Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of} & & \text{Number of Shares} & & \text{HK13.5 cents} \\ \text{Scrip Shares} & = & \text{held on the Record} & \times & \text{(2021 Final Dividend)} \\ \text{to be received} & & \text{Date and elected} & & \\ & & \text{for the Scrip Shares} & & \hline & & & & \text{HK\$1.74 (Average Closing Price)} \end{array}$$

On the Record Date, the total number of Shares held by the Eligible Shareholders entitled to the 2021 Final Dividend was 3,713,338,382. Accordingly, a maximum number of 288,103,839 Scrip Shares could be issued representing approximately 7.76% of the issued Shares as at the Latest Practicable Date and approximately 7.20% of the issued Shares as enlarged by the issue of the Scrip Shares. The last day and time on which the Eligible Shareholders will be entitled to select their desired form of the 2021 Final Dividend is 4:30 p.m. on Thursday, 14 July 2022. The number of Scrip Shares to be issued to each Eligible Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares will be disregarded and the benefit thereof will accrue to the Company. The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will, when they are issued, rank *pari passu* in all respects with the existing Shares except that they will not be entitled to the 2021 Final Dividend.

LETTER FROM THE BOARD

The Scrip Shares will be allotted by way of capitalisation of the Company's reserves or profits and are not renounceable. The right to receive the Scrip Shares instead of whole or part of the cash dividend is non-transferable.

As at the Latest Practicable Date, the Board confirmed that it has not received any information from the controlling shareholder of its intention to receive the 2021 Final Dividend in cash, Scrip Shares or partly in cash and partly in Scrip Shares and particulars thereof.

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme is beneficial to both the Shareholders and the Company as it will enable the Shareholders to further participate in the equity capital of the Company and the Company to retain cash for its operation and development.

4. CONDITION OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares to be issued in respect of the 2021 Final Dividend.

If the condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void. In such a case, the 2021 Final Dividend will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Shareholders should note that any receipt of the Scrip Shares by them may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.

6. ELECTION FORM

The Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to elect to receive the 2021 Final Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

(a) To receive only cash for the 2021 Final Dividend

If you wish to receive only cash for the 2021 Final Dividend, you do not need to take any action. Therefore, please DO NOT return the Election Form.

LETTER FROM THE BOARD

(b) To receive only Scrip Shares for the 2021 Final Dividend

If you wish to receive only Scrip Shares for the 2021 Final Dividend, please just SIGN, DATE and RETURN the Election Form.

(c) To receive partly in cash and partly in Scrip Shares for the 2021 Final Dividend

If you wish to receive the 2021 Final Dividend partly in cash and partly in Scrip Shares, please ENTER in Box C of the Election Form the number of Shares which you held on the Record Date for which you require the 2021 Final Dividend to be paid in Scrip Shares and SIGN, DATE, and RETURN the Election Form.

If you have signed the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding on the Record Date, then in either case you will be deemed to have exercised your election to receive Scrip Shares in respect of all the Shares registered in your name on the Record Date. Therefore, you will receive only Scrip Shares for the 2021 Final Dividend.

The Election Forms should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Thursday, 14 July 2022.

The latest time for returning the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 14 July 2022. Instead the deadline for the submission of the Election Form will be 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Thursday, 14 July 2022. Instead, the deadline for the submission of the Election Form will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

LETTER FROM THE BOARD

Failure to correctly complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's 2021 Final Dividend being paid wholly in cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the 2021 Final Dividend may, after the relevant Election Forms are signed and returned to the Company's Share Registrar, be in any way withdrawn, revoked, superseded or altered.

7. SHAREHOLDERS RESIDING OUTSIDE HONG KONG

This circular will not be registered or filed under the securities laws or equivalent legislation of any jurisdiction. No Overseas Shareholder receiving a copy of this circular and/or the Election Form in any territory outside Hong Kong may treat the same as an invitation to participate in the Scrip Dividend Scheme unless such invitation could lawfully be made to him without the Company having to comply with any registration or other requirements or formalities in the relevant jurisdiction. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the Election Form for information only.

Based on the information made available to the Directors, Shareholders whose names appear on the register of members of the Company on the Record Date and whose addresses as shown on such register that were outside Hong Kong were in the Macau Special Administrative Region of the People's Republic of China ("Macau"), the United Kingdom and the United States of America (the "United States").

United States

As at the Record Date, there was one Shareholder with registered address in the United States, who held 30,000 Shares representing approximately 0.0008% of the total issued Shares of the Company. Shareholders who are "U.S. Persons" as defined in Rule 902 of Regulation S pursuant to the U.S. Securities Act of 1933 (the "**Securities Act**") will not be permitted to participate in the Scrip Dividend Scheme and they will receive the 2021 Final Dividend wholly in cash. The Board has been advised by its legal advisers on the laws of the United States and in view of the registration requirements under the Securities Act and procedures the Company would need to follow to satisfy the requirements for exemption from registration, U.S. Persons (including Shareholders with registered addresses in the United States) will be excluded from participating in the Scrip Dividend Scheme and the Board has considered such exclusion to be necessary and expedient pursuant to Rule 13.36(2)(a) of the Listing Rules. Therefore, U.S. Persons are not Eligible Shareholders and this circular will be sent to such Shareholders for information only and no Election Form will be sent to such Shareholders.

LETTER FROM THE BOARD

United Kingdom and Macau

As at the Record Date, there were two Shareholders with registered address in the United Kingdom and one Shareholder with registered address in Macau, who together held an aggregate of 14,400 Shares and 6,000 Shares representing approximately 0.0004% and 0.0002% of the total issued Shares of the Company, respectively. The Company has been advised by its legal advisers on the laws of the United Kingdom and Macau. Having considered their advice, the Company is satisfied that either there are no legal restrictions or there are exemptions available to the Company under the applicable legislation of the United Kingdom and Macau or requirement of any relevant regulatory body or stock exchange in the United Kingdom and Macau with respect to the offer of the Scrip Shares to the Shareholders with registered addresses in the United Kingdom and Macau as at the Record Date. Accordingly, the Scrip Dividend Scheme is extended to the Shareholders with registered addresses in the United Kingdom and Macau.

PRC SOUTHBOUND TRADING INVESTORS

As at the Record Date, 555,695,443 Shares of the Company, representing approximately 14.96% of the total issued Shares of the Company, were held by China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”). Pursuant to the Frequently Asked Questions Series 29 issued by the Stock Exchange on 14 November 2014 and updated on 4 November 2016 and 13 July 2018 on the interpretation of the Listing Rules, investors from the PRC who hold shares of the Company through ChinaClear as nominee under Shanghai Connect and Shenzhen Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Shares in respect of all or part of his/her holding of shares of the Company in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the Scrip Shares.

Shareholders are reminded that it is the responsibility of any Shareholder wishing to join the Scrip Dividend Scheme to satisfy himself as to full observance of the laws of the relevant territory, including obtaining any governmental or other consents which may be required, complying with any other necessary formality and paying any issue, transfer or other taxes due in respect of such jurisdiction. For the avoidance of doubt, the Scrip Shares are not being offered to the public and the forms of election are nontransferable. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers without delay.

LETTER FROM THE BOARD

8. LISTING AND DEALINGS

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme.

It is expected that the share certificates for the Scrip Shares and cheques for cash dividends will be sent by ordinary post to the Shareholders at their own risk on Wednesday, 27 July 2022, and the first day of dealings in the Scrip Shares on the Stock Exchange is expected to be on Thursday, 28 July 2022.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the Scrip Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. None of the securities (whether equity or debt securities) of the Company are listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

9. OTHER SECURITIES OF THE COMPANY

As at the Latest Practicable Date, there were outstanding options for subscription of 80,294,214 Shares under the Company's share option scheme adopted on 28 May 2014. Save as disclosed above, as at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Shares, as the case may be.

10. 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.

LETTER FROM THE BOARD

11. ODD LOTS

Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their 2021 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

12. RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Scrip Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
For and on behalf of the Board of
Poly Property Group Co., Limited
WAN Yuqing
Chairman