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## **KWG GROUP HOLDINGS LIMITED**

**合景泰富集團控股有限公司**

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

**(Stock Code: 1813 and Debt Stock Codes: 5008,  
40117, 40338, 40465 and 40683)**

### **ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

#### **INTERIM RESULTS**

The board of directors (the “**Board**” or the “**Directors**”) of KWG Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024, together with the comparative figures for the corresponding period in 2023, the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 together with audited comparative figures as at 31 December 2023. The unaudited condensed consolidated interim financial information was reviewed by the audit committee of the Company.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Notes</i>	Six months ended 30 June	
		2024 <i>RMB'000</i> (Unaudited)	2023 <i>RMB'000</i> (Unaudited)
<b>REVENUE</b>	4	<b>5,233,954</b>	7,453,959
Cost of sales		<u>(5,136,125)</u>	<u>(7,011,552)</u>
Gross profit		<b>97,829</b>	442,407
Other income and gains, net	4	<b>509,963</b>	881,311
Selling and marketing expenses		<b>(453,636)</b>	(590,129)
Administrative expenses		<b>(745,547)</b>	(733,228)
Other operating expenses		<b>(3,917,521)</b>	(2,509,844)
Fair value losses on investment properties, net		<b>(470,912)</b>	(1,254,009)
Finance costs	5	<b>(1,910,503)</b>	(1,334,651)
Share of losses of:			
Associates		<b>(5,067)</b>	(43,811)
Joint ventures		<b>(923,754)</b>	(4,657,991)
<b>LOSS BEFORE TAX</b>	6	<b>(7,819,148)</b>	(9,799,945)
Income tax expenses	7	<b>(313,868)</b>	(128,990)
<b>LOSS FOR THE PERIOD</b>		<b><u>(8,133,016)</u></b>	<b><u>(9,928,935)</u></b>

		<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
	<i>Note</i>	<b>RMB'000</b>	<b>RMB'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Attributable to:			
Owners of the Company		<b>(8,223,670)</b>	(9,888,712)
Non-controlling interests		<b>90,654</b>	(40,223)
		<u><b>(8,133,016)</b></u>	<u>(9,928,935)</u>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>9</b>	
<b>Basic</b>			
— For loss for the period		<u><b>RMB(240.5) cents</b></u>	<u>RMB(289.3) cents</u>
<b>Diluted</b>			
— For loss for the period		<u><b>RMB(240.5) cents</b></u>	<u>RMB(289.2) cents</u>

Details of the dividends declared for the reporting period are disclosed in note 8.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>LOSS FOR THE PERIOD</b>	<b>(8,133,016)</b>	<b>(9,928,935)</b>
<b>OTHER COMPREHENSIVE LOSS</b>		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	<b>(83,055)</b>	(528,161)
Share of exchange differences on translation of joint ventures	<b>(15,974)</b>	(52,054)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<b>(99,029)</b>	(580,215)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	<b>(132,335)</b>	(488,615)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<b>(132,335)</b>	(488,615)
<b>OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX</b>	<b>(231,364)</b>	(1,068,830)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(8,364,380)</b>	<b>(10,997,765)</b>
Attributable to:		
Owners of the Company	<b>(8,455,034)</b>	(10,957,542)
Non-controlling interests	<b>90,654</b>	(40,223)
	<b>(8,364,380)</b>	<b>(10,997,765)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June 2024	31 December 2023
Notes		<b>RMB'000</b> <b>(Unaudited)</b>	<b>RMB'000</b> <b>(Audited)</b>
<b>NON-CURRENT ASSETS</b>			
	Property, plant and equipment	8,808,170	9,432,703
	Investment properties	23,772,540	24,650,440
	Land use rights	3,329,607	3,597,564
	Interests in associates	7,079,680	8,217,365
	Interests in joint ventures	31,787,030	32,306,108
	Deferred tax assets	<u>2,100,634</u>	<u>2,033,463</u>
	<b>Total non-current assets</b>	<u><b>76,877,661</b></u>	<u>80,237,643</u>
<b>CURRENT ASSETS</b>			
	Properties under development	49,094,426	49,805,396
	Completed properties held for sale	13,954,372	18,724,363
	Trade receivables	10    352,721	331,647
	Prepayments, other receivables and other assets	14,564,873	15,449,997
	Due from a joint venture	19,129	21,532
	Tax recoverables	1,175,571	1,175,422
	Cash and bank balances	11    1,515,673	<u>1,719,395</u>
	<b>Total current assets</b>	<u><b>80,676,765</b></u>	<u>87,227,752</u>
<b>CURRENT LIABILITIES</b>			
	Trade and bills payables	12    19,829,654	19,402,520
	Lease liabilities	21,357	51,491
	Other payables and accruals	29,563,400	29,879,544
	Due to joint ventures	8,080,491	8,028,741
	Due to associates	1,374,879	2,483,159
	Interest-bearing bank and other borrowings	44,414,916	41,087,060
	Tax payables	<u>14,175,426</u>	<u>13,743,107</u>
	<b>Total current liabilities</b>	<u><b>117,460,123</b></u>	<u>114,675,622</u>
	<b>NET CURRENT LIABILITIES</b>	<u><b>(36,783,358)</b></u>	<u>(27,447,870)</u>
	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u><b>40,094,303</b></u>	<u>52,789,773</u>

	As at	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	308,098	518,806
Interest-bearing bank and other borrowings	28,240,348	32,248,912
Deferred tax liabilities	1,837,505	1,949,322
Deferred revenue	2,042	2,042
	<u>30,387,993</u>	<u>34,719,082</u>
<b>Total non-current liabilities</b>	<b>30,387,993</b>	<b>34,719,082</b>
<b>NET ASSETS</b>	<b>9,706,310</b>	<b>18,070,691</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	325,768	325,768
Reserves	4,051,697	12,406,166
	<u>4,377,465</u>	<u>12,731,934</u>
<b>Non-controlling interests</b>	<b>5,328,845</b>	<b>5,338,757</b>
	<u>9,706,310</u>	<u>18,070,691</u>
<b>TOTAL EQUITY</b>	<b>9,706,310</b>	<b>18,070,691</b>

Notes:

## 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

During the period, the Group was involved in the following principal activities:

- Property development
- Property investment
- Hotel operation

In the opinion of the Directors, the immediate and ultimate holding company of the Company is Plus Earn Consultants Limited, which is incorporated in the British Virgin Islands.

The unaudited condensed consolidated interim financial information was reviewed by the audit committee of the Company and approved by the Board for issue on 28 August 2024.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all HKFRSs, HKASs and Interpretations).

### Going concern basis

For the six months ended 30 June 2024, the Group incurred a net loss of approximately RMB8,133,016,000, and as of that date, the Group had net current liabilities of approximately RMB36,783,358,000, and the Group’s current portion of bank and other borrowings amounted to approximately RMB44,414,916,000, while its cash and bank balances amounted to approximately RMB1,515,673,000.

The Group did not repay the principal and interest payables of several USD denominated senior notes and bank and other borrowings since the year ended 31 December 2023, triggering an event of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. As of 30 June 2024, the aggregate principal and interest payables of the said USD denominated senior notes and bank and other borrowings in default or cross default was approximately RMB34,368,777,000.

The Company had suspended trading of all its USD denominated senior notes listed on the Stock Exchange in May 2023 and no principal repayment had been made on the USD denominated senior notes since then.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Directors have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The following plans and measures are formulated to mitigate the liquidity pressure and to improve the financial position of the Group:

- (i) Based on the People's Bank of China's 16 Supportive Financial Measures, the Group has been actively negotiating with several financial institutions on the renewal and extension of existing onshore bank borrowings to improve the liquidity position of the Group.

Also, under the project whitelist mechanism, city governments should provide a list of local property projects suitable for financing support, and coordinate with local financial institutions to meet the financing needs of these projects. The Group has submitted applications to respective local authorities to add a total of 48 projects to the project whitelist, out of which 40 have been approved. For instance, the local authority of Guangzhou has published 3 batches of project whitelist during the six months ended 30 June 2024, containing 17 projects of the Group. The Group had successfully extended the maturities of approximately RMB616 million project financing for projects under the whitelist, and the Group trust this whitelist mechanism will continue to facilitate the Group to obtain project development financing and/or refinancing for these projects with the financial institutions.

- (ii) The Group had engaged financial advisor and legal advisor to explore a holistic solution to the current offshore debts situation to secure the sustainable operations of the Group for the benefit of all of its stakeholders. The Group also had ongoing constructive discussions with a prospective ad hoc group of bondholders and its advisors on the holistic solution during the period.
- (iii) In August 2024, Unicorn Bay (Hong Kong) Investments Limited, a project company in which the Group owns 50% shareholding interest (the "**Project Company**"), has successfully obtained a refinancing facility of HK\$8.2 billion with maturity beyond 2027. The Project Company is principally engaged in the development and sale of The Corniche, a residential project located at Ap Lei Chau, Hong Kong. The Corniche is a significant offshore asset of the Group, and the successful refinancing is crucial to the Group's offshore debt restructuring.
- (iv) The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. The Group is also negotiating with various interested parties on the disposal of en-bloc commercial properties, hotels, urban redevelopment projects and non-core property projects to further improve the cash position of the Group.
- (v) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.



- (vi) The Group will continue to seek suitable opportunities to dispose of its equity interests in joint ventures or associates which are engaged in property development projects in order to generate additional cash inflows.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover not less than twelve months from 30 June 2024.

They are of the opinion that, taking into account the abovementioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 30 June 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following: (i) The approval from local authorities to include the Group's property development projects in the project whitelist and the obtaining of project financing and/or refinancing as and when needed; (ii) The successful restructuring of the offshore debts of the Group; (iii) The successful negotiation with interested parties on the disposal of en-bloc commercial properties, hotels, urban redevelopment projects and non-core property projects; (iv) The successful disposal of the Group's equity interests in certain joint ventures or associates which are engaged in property development projects when suitable. Should the Group be unable to achieve the above-mentioned plans and measures and operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

### 3. CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following revised HKFRSs for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current (the "2020 Amendments")</i>
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants (the "2022 Amendments")</i>
Amendments to HKAS 7 and HKFRS7	<i>Supplier Finance Arrangements</i>

The adoption of the above revised standards has had no significant financial effect on the Group's unaudited condensed consolidated interim financial information and there have been no significant changes to the accounting policies applied in the unaudited condensed consolidated interim financial information.

#### 4. REVENUE, OTHER INCOME AND GAINS, NET AND OPERATING SEGMENT INFORMATION

Revenue, which is also the Group's turnover, represents the gross proceeds from the sale of properties, gross rental income received and receivable from investment properties and gross revenue from hotel operation during the period.

An analysis of revenue, other income and gains, net is as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue:</b>		
Revenue from contracts with customers		
Sale of properties	4,421,186	6,604,073
Hotel operation income	365,388	394,920
Revenue from other sources		
Gross rental income	447,380	454,966
	<u>5,233,954</u>	<u>7,453,959</u>
<b>Other income and gains, net:</b>		
Interest income	23,417	147,539
Foreign exchange difference, net	33,465	210,498
Others	453,081	523,274
	<u>509,963</u>	<u>881,311</u>

For management purposes, the Group is organised into three reportable operating segments as follows:

- (a) Property development: Sale of properties
- (b) Property investment: Leasing of properties
- (c) Hotel operation: Operation of hotels

The property development projects undertaken by the Group and its joint ventures and associates during the period are mainly located in Mainland China and Hong Kong.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that interest income, finance costs, as well as head office and corporate income and expenses are excluded from such measurement.

The Group's revenue from contracts with customers is derived solely from its operations in Mainland China.

The Group's revenue from contracts with customers for the six months ended 30 June 2024 as follows:

	<b>Property development RMB'000 (Unaudited)</b>	<b>Hotel operation RMB'000 (Unaudited)</b>	<b>Total RMB'000 (Unaudited)</b>
<i>Type of revenue recognition:</i>			
Sales of properties	4,421,186	—	4,421,186
Provision of services	—	365,388	365,388
	<u>4,421,186</u>	<u>365,388</u>	<u>4,786,574</u>
Total revenue from contracts with customers	<u>4,421,186</u>	<u>365,388</u>	<u>4,786,574</u>
<i>Timing of revenue recognition:</i>			
Recognised at a point in time	4,153,882	—	4,153,882
Recognised over time	267,304	365,388	632,692
	<u>4,421,186</u>	<u>365,388</u>	<u>4,786,574</u>
Total revenue from contracts with customers	<u>4,421,186</u>	<u>365,388</u>	<u>4,786,574</u>

The Group's revenue from contracts with customers for the six months ended 30 June 2023 as follows:

	Property development <i>RMB'000</i> (Unaudited)	Hotel operation <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<i>Type of revenue recognition:</i>			
Sales of properties	6,604,073	—	6,604,073
Provision of services	—	394,920	394,920
Total revenue from contracts with customers	<u>6,604,073</u>	<u>394,920</u>	<u>6,998,993</u>
<i>Timing of revenue recognition:</i>			
Recognised at a point in time	5,804,060	—	5,804,060
Recognised over time	800,013	394,920	1,194,933
Total revenue from contracts with customers	<u>6,604,073</u>	<u>394,920</u>	<u>6,998,993</u>

The segment results for the six months ended 30 June 2024 are as follows:

	Property development <i>(Note)</i> <i>RMB'000</i> (Unaudited)	Property investment <i>RMB'000</i> (Unaudited)	Hotel operation <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
<b>Segment revenue:</b>				
Sales to external customers and revenue	<u>4,421,186</u>	<u>447,380</u>	<u>365,388</u>	<u>5,233,954</u>
<b>Segment results</b>	<b>(5,418,295)</b>	<b>(187,214)</b>	<b>92,791</b>	<b>(5,512,718)</b>
<i>Reconciliation:</i>				
Interest income and unallocated income				509,963
Unallocated expenses				(905,890)
Finance costs				<u>(1,910,503)</u>
Loss before tax				(7,819,148)
Income tax expenses				<u>(313,868)</u>
Loss for the period				<u><u>(8,133,016)</u></u>

The segment results for the six months ended 30 June 2023 are as follows:

	Property development (Note) RMB'000 (Unaudited)	Property investment RMB'000 (Unaudited)	Hotel operation RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Segment revenue:</b>				
Sales to external customers and revenue	<u>6,604,073</u>	<u>454,966</u>	<u>394,920</u>	<u>7,453,959</u>
<b>Segment results</b>	(7,821,818)	(995,563)	128,556	(8,688,825)
<i>Reconciliation:</i>				
Interest income and unallocated income				881,311
Unallocated expenses				(657,780)
Finance costs				<u>(1,334,651)</u>
Loss before tax				(9,799,945)
Income tax expenses				<u>(128,990)</u>
Loss for the period				<u><u>(9,928,935)</u></u>

*Note:* The segment results include share of losses of joint ventures and associates.

## 5. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	2,301,817	3,026,854
Interest on lease liabilities	9,393	24,457
Less: Interest capitalised	<u>(400,707)</u>	<u>(1,716,660)</u>
	<u><u>1,910,503</u></u>	<u><u>1,334,651</u></u>

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Cost of properties sold	<b>4,894,630</b>	6,809,100
Less: Government grant released	<u>—</u>	<u>(3,534)</u>
	<b>4,894,630</b>	6,805,566
Cost of services provided	<b>241,495</b>	205,986
Depreciation	<b>125,284</b>	165,068
Amortisation of land use rights	<b>38,181</b>	40,954
Less: Amount capitalised in assets under construction	<u>(23,411)</u>	<u>(25,190)</u>
	<u><b>14,770</b></u>	<u>15,764</u>
Loss/(gain) on disposal of items of property, plant and equipment	<b>47,016</b>	(203)
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	<b>221,757</b>	361,758
Share based compensation expenses	<u>—</u>	459
Pension scheme contributions (defined benefit plans)	<u><b>14,849</b></u>	<u>18,843</u>
	<b>236,606</b>	381,060
Less: Amount capitalised in assets under construction, properties under development and investment properties under development	<u>(17,490)</u>	<u>(86,720)</u>
	<u><b>219,116</b></u>	<u>294,340</u>
Impairment losses recognised for properties under development and completed properties held for sales*	<u><b>3,917,521</b></u>	<u>2,509,844</u>

\* The item is included in "Other operating expenses" in the condensed consolidated statement of profit or loss.

## 7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current – in the People’s Republic of China (“PRC”)		
Corporate income tax (“CIT”)	399,319	314,443
Land appreciation tax (“LAT”)	98,662	185,098
	<u>497,981</u>	<u>499,541</u>
Deferred	(184,113)	(370,551)
Total tax charge for the period	<u>313,868</u>	<u>128,990</u>

### Hong Kong profits tax

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2024 and 2023.

### PRC CIT

PRC CIT in respect of operations in the PRC have been calculated at the applicable tax rate on the estimated assessable profits for the six months ended 30 June 2024 and 2023, based on existing legislation, interpretations and practices in respect thereof.

### PRC LAT

PRC LAT are levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds from the sale of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.

## 8. DIVIDENDS

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2024 (2023: Nil).

## 9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amounts for the six months ended 30 June 2024 is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 3,418,883,945 (2023: 3,418,602,066) in issue during the period.

For the six months ended 30 June 2024, the calculation of the diluted loss per share amounts is based on the loss for the period attributable to owners of the Company, and the weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss per share calculation of 3,418,883,945 (2023: 3,418,602,066). Diluted loss per share amount for the period ended 30 June 2024 was the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the period (2023: 293,213).

The calculations of the basic and diluted loss per share amounts are based on:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss</b>		
Loss attributable to owners of the Company	<u><u>(8,223,670)</u></u>	<u><u>(9,888,712)</u></u>
	<b>Number of shares</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Shares</b>		
Weighted average number of ordinary shares in issue during the period used in basic loss per share calculation	<u>3,418,883,945</u>	3,418,602,066
Effect of dilution — awarded shares	<u>—</u>	<u>293,213</u>
Weighted average number of ordinary shares used in diluted loss per share calculation	<u><u>3,418,883,945</u></u>	<u><u>3,418,895,279</u></u>



## 10. TRADE RECEIVABLES

Trade receivables mainly consist of receivables from the sale of properties, rentals under operating leases and hotel operation. The payment terms of the sale of properties are stipulated in the relevant sale and purchase agreements. An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	As at	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Within 3 months	244,838	189,666
7 to 12 months	58,788	75,281
Over 1 year	49,095	66,700
	<u>352,721</u>	<u>331,647</u>

## 11. CASH AND BANK BALANCES

	As at	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Cash and bank balances	1,515,673	1,719,395
Less: Restricted cash	<u>(823,017)</u>	<u>(938,037)</u>
Cash and cash equivalents	<u>692,656</u>	<u>781,358</u>

## 12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period is as follows:

	As at	
	30 June 2024 <i>RMB'000</i> (Unaudited)	31 December 2023 <i>RMB'000</i> (Audited)
Within 1 year	10,992,027	11,732,746
Over 1 year	<u>8,837,627</u>	<u>7,669,774</u>
	<u>19,829,654</u>	<u>19,402,520</u>

The trade and bills payables are non-interest-bearing and are normally settled on demand.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### *Revenue*

Revenue of the Group comprises primarily the (i) gross proceeds from the sale of properties, (ii) gross recurring revenue received and receivable from investment properties and (iii) gross revenue from hotel room rentals, food and beverage sales and other ancillary services when the services are rendered. The revenue is primarily generated from its three business segments: property development, property investment and hotel operation.

The revenue amounted to approximately RMB5,234.0 million in the first half of 2024, representing a decrease of 29.8% from approximately RMB7,454.0 million for the corresponding period in 2023.

The revenue generated from property development, property investment and hotel operation were approximately RMB4,421.2 million, RMB447.4 million and RMB365.4 million, respectively, during the six months ended 30 June 2024.

Proportionate revenue amounted to approximately RMB7,397.7 million in the first half of 2024, representing a decrease of 48.8% from approximately RMB14,446.8 million for the corresponding period in 2023.

#### *Property development*

Revenue generated from property development decreased by 33.1% to approximately RMB4,421.2 million for the six months ended 30 June 2024 from approximately RMB6,604.1 million for the corresponding period in 2023. Although the total gross floor area (“GFA”) delivered increased from 371,835 sq.m. for the corresponding period in 2023 to 398,698 sq.m. in the first half of 2024, the average selling price (“ASP”) decreased from RMB17,761 per sq.m. for the corresponding period in 2023 to RMB11,089 per sq.m. for the six months ended 30 June 2024, primarily due to the properties delivered with lower selling price with large proportion area during the six month ended 30 June 2024.

Proportionate revenue generated from property development decreased by 52.3% to approximately RMB6,402.5 million for the six months ended 30 June 2024 from approximately RMB13,413.4 million for the corresponding period in 2023, primarily due to the decrease in the proportionate revenue from property development of joint ventures from approximately RMB6,142.9 million in the corresponding period in 2023 to approximately RMB1,965.1 million with lower ASP and less GFA delivered for the six months ended 30 June 2024.

#### *Property investment*

Revenue generated from property investment decreased by 1.7% to approximately RMB447.4 million for the six months ended 30 June 2024 from approximately RMB455.0 million for the corresponding period in 2023.

#### *Hotel operation*

Revenue generated from hotel operation decreased by 7.5% to approximately RMB365.4 million for the six months ended 30 June 2024 from approximately RMB394.9 million for the corresponding period in 2023, primarily due to the disposal of one hotel.

#### ***Cost of Sales***

Cost of sales of the Group primarily represents the costs incurred directly for the Group's property development activities. The principal component of cost of sales is cost of properties sold, which includes the direct costs of construction, costs of obtaining land use rights and capitalised borrowing costs on related borrowed funds during the period of construction.

Cost of sales decreased by 26.7% to approximately RMB5,136.1 million for the six months ended 30 June 2024 from approximately RMB7,011.6 million for the corresponding period in 2023. The decrease was primarily due to the low-end and mid-end properties delivered with lower land and construction cost with large proportion area during the six month ended 30 June 2024.

Land cost per sq.m. decreased from RMB8,153 for the corresponding period in 2023 to RMB3,835 for the six months ended 30 June 2024.

Construction cost per sq.m. decreased from RMB5,229 for the corresponding period in 2023 to RMB4,627 for the six months ended 30 June 2024.

### ***Gross Profit***

Gross profit of the Group decreased by 77.9% to approximately RMB97.8 million for the six months ended 30 June 2024 from approximately RMB442.4 million for the corresponding period in 2023. The decrease of gross profit was principally due to the decrease in the total sales with lower ASP in the first half of 2024. The Group reported gross profit margin of 1.9% for the six months ended 30 June 2024 (2023: 5.9%).

Proportionate core gross profit of the Group decreased by 77.8% to approximately RMB217.6 million for the six months ended 30 June 2024 from approximately RMB980.2 million for the corresponding period in 2023. The decrease of proportionate core gross profit was principally due to the decrease in the total sales with lower ASP of the Group in the first half of 2024. The Group reported proportionate core gross profit margin of 2.9% for the six months ended 30 June 2024 (2023: 6.8%).

### ***Other Income and Gains, Net***

Other income and gains decreased by 42.1% to approximately RMB510.0 million for the six months ended 30 June 2024 from approximately RMB881.3 million for the corresponding period in 2023, and mainly comprised project management services income of approximately RMB213.7 million and gain on disposal of subsidiaries of approximately RMB177.8 million.

### ***Selling and Marketing Expenses***

Selling and marketing expenses of the Group decreased by 23.1% to approximately RMB453.6 million for the six months ended 30 June 2024 from approximately RMB590.1 million for the corresponding period in 2023, which mainly due to a decrease in sales leading to a reduction in related expenses.

### ***Administrative Expenses***

Administrative expenses of the Group slightly increased by 1.7% to approximately RMB745.5 million for the six months ended 30 June 2024 from approximately RMB733.2 million for the corresponding period in 2023.

### ***Other Operating Expenses***

The Group reported other operating expenses of approximately RMB3,917.5 million for the six months ended 30 June 2024 (2023: approximately RMB2,509.8 million). This is attributable to impairment losses made on properties developed by the Group.

### ***Fair Value Losses on Investment Properties, Net***

The Group reported fair value losses on investment properties of approximately RMB470.9 million for the six months ended 30 June 2024 (2023: approximately RMB1,254.0 million), mainly comprised fair value losses of approximately RMB145.0 million from Shanghai International Metropolis Plaza and approximately RMB101.0 million from Guangzhou IFP.

### ***Finance Costs***

Finance costs of the Group being approximately RMB1,910.5 million for the six months ended 30 June 2024 (2023: approximately RMB1,334.7 million), were related to the borrowing costs on certain general corporate loans and partial senior notes. Since such borrowings were not earmarked for project development, they have not been capitalised.

### ***Share of Losses of Joint Ventures***

The Group recorded a share of losses of joint ventures of approximately RMB923.8 million for the six months ended 30 June 2024 (2023: approximately RMB4,658.0 million).

This is mainly comprised impairment losses made on properties under development and completed properties held for sale of approximately RMB162.7 million, fair value losses on investment properties of approximately RMB265.0 million and finance cost of approximately RMB373.7 million.

The decrease of share of losses of joint ventures was mainly due to the decrease in impairment losses made on properties under development and completed properties held for sale from approximately RMB2,731.8 million for the six months ended 30 June 2023 to approximately RMB162.7 million for the corresponding period in 2024, and write-off of deferred tax assets of approximately RMB346.7 million for the six months ended 30 June 2023.

### ***Income Tax Expenses***

Income tax expenses increased by 143.3% to approximately RMB313.9 million for the six months ended 30 June 2024 from approximately RMB129.0 million for the corresponding period in 2023, mainly due to the decrease in the deferred tax credit from RMB370.6 million in the corresponding period in 2023 to RMB184.1 million for the six month ended 30 June 2024.

### ***Loss for the Period***

The Group reported loss for the period of approximately RMB8,133.0 million for the six months ended 30 June 2024 (2023: approximately RMB9,928.9 million).

## **Liquidity, Financial and Capital Resources**

### ***Cash Position***

As at 30 June 2024, the carrying amounts of the Group's cash and bank balances were approximately RMB1,515.7 million (31 December 2023: approximately RMB1,719.4 million).

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place a certain amount of pre-sales proceeds received at designated bank accounts as guarantee deposits for construction of the relevant properties. As at 30 June 2024, the Group's restricted cash was approximately RMB823.0 million (31 December 2023: approximately RMB938.0 million).

### ***Borrowings and Charges on the Group's Assets***

As at 30 June 2024, the Group's bank and other loans, senior notes and domestic corporate bonds were approximately RMB41,223.4 million, RMB27,947.7 million and RMB3,484.2 million respectively. Amongst the bank and other loans, approximately RMB16,386.4 million will be repayable within 1 year, approximately RMB16,363.8 million will be repayable between 2 and 5 years and approximately RMB8,473.2 million will be repayable over 5 years. All of the senior notes have been represented as current liabilities. Amongst the domestic corporate bonds, approximately RMB80.8 million will be repayable within 1 year, approximately RMB3,403.4 million will be repayable between 2 and 5 years.

As at 30 June 2024, the Group's bank and other loans of approximately RMB40,546.9 million and domestic corporate bonds of approximately RMB3,484.2 million were secured by buildings, land use rights, investment properties, properties under development and completed properties held for sale of the Group with total carrying value of approximately RMB81,026.8 million, and receivables from properties sold and equity interests of certain subsidiaries of the Group. The senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their shares.

The carrying amounts of all the Group's bank and other loans were denominated in RMB except for certain loan balances with an aggregate amount of approximately RMB1,827.6 million and RMB1,070.8 million as at 30 June 2024 which were denominated in Hong Kong dollar and U.S. dollar respectively. All of the Group's bank and other loans were charged at floating interest rates except for loan balances with an aggregate amount of approximately RMB8,859.2 million which were charged at fixed interest rates as at 30 June 2024. The Group's senior notes and domestic corporate bonds were denominated in U.S. dollar and RMB respectively and charged at fixed interest rates as at 30 June 2024.

## ***Gearing Ratio***

The gearing ratio is measured by the net borrowings (total borrowings net of cash and cash equivalents and restricted cash) over the total equity. As at 30 June 2024, the gearing ratio was 732.9% (31 December 2023: 396.3%).

## ***Risk of Exchange Rate Fluctuation***

The Group mainly operates in the PRC, so most of its revenue and expenses are measured in RMB. The value of RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in PRC's political and economic conditions. The conversion of RMB into foreign currencies, including the U.S. dollar and the Hong Kong dollar, has been based on rates set by the People's Bank of China.

In the first half of 2024, the exchange rates of RMB against the U.S. dollar and the Hong Kong dollar decreased and the Board expects that any fluctuation of RMB's exchange rate will not have material adverse effect on the operations of the Group.

## ***Contingent Liabilities***

- (i) As at 30 June 2024, the Group had the contingent liabilities relating to guarantees given to banks in respect of mortgage facilities for certain purchasers amounting to approximately RMB12,140.3 million (31 December 2023: approximately RMB13,484.3 million). This represented the guarantees in respect of mortgage facilities granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interests and penalties owed by the defaulting purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of real estate ownership certificates, which will generally be available within one to two years after the purchasers take possession of the relevant properties.

The fair value of the guarantees is not significant and the Board considers that in case of default in payments by the purchasers, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interests and penalties and therefore no provisions have been made in the financial information as at 30 June 2024 and the financial statements as at 31 December 2023 for the guarantees.

- (ii) As at 30 June 2024 and 31 December 2023, the Group had provided guarantees in respect of certain bank loans for its joint ventures and associates.



## **Market Review**

Throughout the first half of the year, the real estate industry continued its adjustment. The central government continuously introduced relaxation policies, further lowering the sales thresholds for major cities. The transaction volume in core cities slightly improved after the implementation of multiple policies, but the new housing sales market has not significantly improved. The effectiveness of the policies will still need to wait and see.

According to the statistical data of the National Bureau of Statistics of China, from January to June 2024, the nationwide property development investment decreased by 10.1% year-on-year to RMB5,252.9 billion; the sales area of commodity properties decreased by 12.0% year-on-year to 479.16 million sq.m.; the sales of commodity properties decreased by 25.0% year-on-year to RMB4,713.3 billion. Overall, the national real estate market has still been at the in-depth adjustment stage, the new housing market has not recovered effectively, and the transaction volume kept declining. Taking into consideration of the current market uncertainty about the future economic growth and the concerns about the continuous drop in property prices, the property market will continue to operate at a low level for a certain period of time. The government stepped up its efforts and implemented a series of measures to stabilize the market, including but not limited to easing credit conditions, reducing down payment ratios, lowering the thresholds of property purchases, and canceling the lower limit of loan interest rates, so as to boost homebuyers' confidence and promote the unleashed demand.

Facing the adjustment period, against the backdrop of continued relaxation of controls, real estate enterprises should make full use of policy opportunities, actively coordinate with local governments to reduce inventory and promote sales. With well-targeted goals, they should improve product competitiveness, actively explore new models, optimize cash flow and debt management, and adapt to the new trend of industry development.

## **Business Review**

Since its establishment 29 years ago, the Group has experienced multiple ups and downs in the market. The Group has been focusing on the real estate market and established itself as an integrated urban operator with integrated development of segments including real estate development, commercial asset management, hotels and light assets. The Group focuses on core areas and new economic development zones of first- and second-tier cities in the Greater Bay Area, Yangtze River Delta, Bohai Rim and Central and Western China. As of 30 June 2024, the Group had 149 major projects (excluding residual projects, of which 120 major projects for sale) located in 42 cities such as Guangzhou, Shenzhen, Hong Kong, Chongqing, Chengdu, Hangzhou, Shanghai and Beijing, and owned attributable land bank of approximately 12.46 million sq.m. in aggregate, representing an attributable ratio of approximately 75%.



In the first half of 2024, the Group's gross pre-sales amounted to RMB5.66 billion with the pre-sales area of 381,000 sq.m. The average pre-selling price stood at RMB14,856 per sq.m. In terms of contribution to pre-sales amount, 62% were from the Greater Bay Area and 9% were from the Yangtze River Delta Region; and in terms of city tiers, 94% were from first- and second-tier cities, and the Group continued its efforts in the in-depth development in core regions and cities.

During the reporting period, the Group focused on launching key projects such as Guangzhou Landmark Arte Masterpiece, Guangzhou Richmond Greenville, Canton Financial Center, Hong Kong The Corniche, Foshan Oriental Bund and Shenzhen Grand Oasis. The Group actively responded to the government's call for "guaranteeing delivery" and "guaranteeing people's livelihood", earnestly focused on the completion of construction as well as the improvement of the quality of delivery, and made every effort to ensure delivery. It introduced ready-to-use properties and existing completed properties to the market to protect the rights and interests of homebuyers. In the first half of 2024, the Group delivered a total of 5,734 units of properties.

### **Investment Properties and Hotels**

The Group has always adhered to diversified and all-round development. As an integrated urban operator in China, the Group has operated 44 investment properties and hotels up to now, including 11 shopping malls, 9 office buildings and 24 hotels (including franchise stores).

In the first half of 2024, the rental income of the Group amounted to RMB447 million, representing a decrease of 1.7% as compared to the corresponding period last year, mainly due to the overall economic pressure, which had a greater impact on the leasing market and resulted in a decline in rental levels. It is expected that the market performance will pick up after the stimulating policies being gradually realized.

In the first half of 2024, the shopping malls under the Group maintained a relatively promising operating condition. The major shopping malls enriched shopping choices to customers, created diversified shopping experience and formed a stable and solid customer flow by acquiring various well-known stores, organizing different "pop-up" and "street stall" themed events, launching anniversary celebration as well as various cultural activities. At the beginning of this year, the Group won the award of "2023 Commercial Property Benchmarking Project" issued by China Times, and its commercial brand has been fully recognized by the market.

The Group's office buildings are located in the core business areas of first- and second-tier cities such as Guangzhou, Shanghai, Beijing and Nanning. With its superior geographical location, excellent product development capabilities, the Group has successfully created three high-end office building brands, namely IFP (International Finance Place), IMP (International Metropolitan Plaza) and ICP (International Commerce Place), building a quality office and living ecosystem and becoming a long-term partner of many Fortune Global 500 companies.

Currently, the Group has 9 office buildings in operation: the operating office buildings in Guangzhou include International Finance Place and International Metropolitan Plaza in Pearl River New Town, International Commerce Place in Pazhou, KWG Flourishing Biotech Square in Guangzhou Biological Island and Colorland Centre in Nansha, and those in Shanghai, Beijing and Nanning include International Metropolis Plaza in Pudong Bund, Beijing International Finance Place in Tongzhou District and New Chang'an Mansion in Mentougou District, as well as Guangxi International Finance Place at the headquarters base in Nanning Wuxiang New District, respectively. In the first half of the year, affected by the downward trend of the macro-economy, the occupancy rate of some office buildings declined and therefore, resulting in a decrease in rental income.

In terms of hotels, hotel revenue for the first half of 2024 was RMB365 million, representing a decrease of 7.5% as compared to the corresponding period last year. This was mainly due to the downturn in the economy, with more corporations scaling back their investment plans and lowering their travel aspirations, which in turn led to a decline in the operation of business hotels. Downgraded spending by individuals and families reduced demand for resort hotels. With various events and exhibitions lined up and the Golden Week holiday celebrating the National Day, it is expected that the hotel performance in the second half of the year will be better than the first half.

The Group currently has a total of 24 hotels in operation, including hotels that are operated under cooperation with international hotel management groups and those under self-owned brands of the Group. After years of development and in-depth cooperation with international hotel management groups, The Mulian Hotel, a self-owned brand of the Group, has become increasingly mature in terms of product positioning and service capability. The hotels under the Group spread over core cities such as Beijing, Shanghai, Guangzhou, Chengdu, Suzhou and Hangzhou. The addition of a new MUSTEL hotel in Chengdu is expected in the second half of the year. The Group remains optimistic about the hotel market in the future.

## **Outlook**

In the second half of the year, the Group will continue its effort in liability and cash flow management, optimize its capital structure, and examine different debt reduction methods in a practical manner. The Group is undergoing a comprehensive restructuring of its offshore debts. In this respect, the Group has appointed Alvarez & Marsal Corporate Finance Limited to assess the capital structure of the Group, evaluate the Group's liquidity and explore all feasible solutions to mitigate the current liquidity issues as soon as possible and achieve the best holistic solution for all stakeholders. At the same time, with an aim of "focusing on sales and procuring cash collection", the Group will make great efforts to enhance the sales and marketing. En-bloc sales will be initiated through multiple channels in a bid to accelerate cash collection progress.

In the second half of the year, "guaranteeing delivery" and "guaranteeing people's livelihood" will remain the top priority of the Group's work. It will focus on the completion of procedures for filing for key construction projects, launch of the existing completed properties and ready-to-use properties, protection of the rights and interests of customers and fulfilment of the Group's social responsibilities.

Despite the tough environment, the Group always remains true to its original aspiration and provides its excellent products to the market. The Group will actively embrace the new normal in the real estate industry and responds to market demand with excellent product quality. It will constantly strengthen its corporate management and continue to uphold the philosophy of "building home with heart, creating future with aspiration", thereby creating value for its customers on an on-going basis. The Group will adhere to the long-termism to promote sustainable operation.

## Overview of the Group's Property Development

As at 30 June 2024, the Group's major projects are located in Guangzhou, Suzhou, Chengdu, Beijing, Hainan, Shanghai, Tianjin, Nanning, Hangzhou, Nanjing, Foshan, Hefei, Ezhou, Xuzhou, Jiaxing, Taizhou, Chongqing, Taicang, Zhaoqing, Zhongshan, Liuzhou, Shenzhen, Huizhou, Jiangmen, Yancheng and Hong Kong.

No.	Project	District	Type of Product	Total GFA	Interest
				Attributable to the Group's Interest	Attributable to the Group
				( <i>'000 sq.m.</i> )	(%)
1	The Summit	Guangzhou	Residential/villa/serviced apartment/office/commercial/hotel	812	100
2	International Metropolitan Plaza	Guangzhou	Office/commercial	40	50
3	Tian Hui Plaza (including The Riviera and Top Plaza)	Guangzhou	Serviced apartment/office/commercial/hotel	45	33.33
4	KWG Flourishing Biotech Square	Guangzhou	Office/commercial	84	100
5	KWG Skysite	Guangzhou	Villa/serviced apartment/office/commercial/hotel	297	100
6	The Eden	Guangzhou	Residential/commercial	2	50
7	Paradise by Moony Sky	Guangzhou	Villa/hotel	39	100
8	Essence of City	Guangzhou	Residential/villa/commercial	14	100
9	International Commerce Place	Guangzhou	Office/commercial	50	50
10	CFC (including Mayfair and IFE (International Finance Edifice))	Guangzhou	Serviced apartment/office/commercial	10	33.33
11	The Horizon	Guangzhou	Residential/villa/serviced apartment/office/commercial/hotel	14	50
12	Blooming River	Guangzhou	Residential/villa/commercial	44	50
13	Nansha River Paradise	Guangzhou	Residential/commercial	4	50
14	V-city	Guangzhou	Serviced apartment/commercial	135	70
15	Montkam	Guangzhou	Residential/villa	8	30
16	E-city	Guangzhou	Serviced apartment/commercial	446	67
17	The Beryl (Guangzhou Development Area Hotel A Project)	Guangzhou	Villa/serviced apartment/commercial/hotel	11	60

No.	Project	District	Type of Product	Total GFA	Interest
				Attributable to the Group's Interest ('000 sq.m.)	Attributable to the Group (%)
18	The Beryl (Guangzhou Development Area Hotel B Project)	Guangzhou	Villa/serviced apartment/office/commercial	27	100
19	Landmark Arte Masterpiece	Guangzhou	Residential/serviced apartment/commercial	95	100
20	Clover Shades	Guangzhou	Residential/commercial	34	62.5
21	The Emerald	Guangzhou	Residential	55	100
22	KWG Biovalley	Guangzhou	Villa/serviced apartment/office/commercial	192	80
23	Longyatt Mansion	Guangzhou	Residential/commercial	71	100
24	Dreams Garden	Guangzhou	Residential/commercial	239	100
25	Lakeside Mansion	Guangzhou	Residential/commercial	302	100
26	Richmond Greenville	Guangzhou	Residential	91	100
27	Guangzhou Nansha Project	Guangzhou	Educational	89	60
28	The Star Garden	Guangzhou	Residential/commercial	194	87.5
29	ONE68	Guangzhou	Serviced apartment/office/commercial/hotel	69	100
30	IFP	Guangzhou	Office/commercial	61	100
31	Four Points by Sheraton Guangzhou, Dongpu	Guangzhou	Hotel	35	100
32	The Mulian Huadu	Guangzhou	Hotel	25	100
33	W Hotel/W Serviced Apartments	Guangzhou	Hotel/serviced apartment	80	100
34	The Mulian Guangzhou	Guangzhou	Hotel	8	100
35	The Sapphire	Suzhou	Residential/serviced apartment/office/commercial/hotel	36	100
36	Suzhou Apex	Suzhou	Residential/serviced apartment/commercial/hotel	127	100
37	Leader Plaza	Suzhou	Serviced apartment/office/commercial	21	100
38	Fortune Plaza	Suzhou	Office/commercial/hotel	21	100
39	Suzhou Jade Garden	Suzhou	Residential/commercial	2	100
40	Orient Aesthetics	Suzhou	Residential/commercial	3	20
41	Swan Harbor Park	Suzhou	Residential/serviced apartment/office/commercial/hotel	65	50
42	Blessedness Seasons	Suzhou	Residential/commercial	2	49
43	The Vision of the World	Chengdu	Residential/serviced apartment/commercial	39	100

No.	Project	District	Type of Product	Total GFA	Interest
				Attributable to the Group's Interest ('000 sq.m.)	Attributable to the Group (%)
44	Chengdu Cosmos	Chengdu	Residential/serviced apartment/office/commercial/hotel	226	100
45	Yunshang Retreat	Chengdu	Residential/villa/serviced apartment/commercial/hotel	566	55
46	The Jadeite	Chengdu	Residential/villa/commercial/hotel	24	100
47	Fragrant Seasons	Beijing	Residential/villa/serviced apartment/commercial	1	100
48	La Villa	Beijing	Residential/villa/commercial	5	50
49	Beijing Apex	Beijing	Residential/villa/serviced apartment/commercial	2	50
50	M • Cube	Beijing	Commercial	16	100
51	Uptown Riverside I	Beijing	Serviced apartment/office/commercial	128	100
52	Uptown Riverside II	Beijing	Serviced apartment/office/commercial	57	100
53	Rose and Ginkgo Mansion	Beijing	Residential/villa/office/commercial	27	33
54	The Core of Center (Beijing Niulanshan Complex Project)	Beijing	Residential/villa/commercial/hotel	187	100
55	The Core of Center (Beijing Niulanshan 1107# Project)	Beijing	Residential	1	100
56	New Chang'an Mansion	Beijing	Residential/office/commercial/hotel	30	100
57	Pearl Coast	Lingshui	Residential/villa/commercial/hotel	96	100
58	Moon Bay	Wenchang	Residential/villa/commercial/hotel	334	100
59	The Cloud Wolrd	Wenchang	Villa/commercial	76	100
60	International Metropolis Plaza	Shanghai	Office/commercial	39	100
61	Amazing Bay	Shanghai	Residential/serviced apartment/office/commercial/hotel	26	50
62	Vision of the World	Shanghai	Residential/serviced apartment/commercial/hotel	59	51
63	Glory Palace	Shanghai	Residential	3	100

No.	Project	District	Type of Product	Total GFA	Interest
				Attributable to the Group's Interest ('000 sq.m.)	Attributable to the Group (%)
64	KWG Biovalley	Shanghai	Office/commercial	121	90
65	Jinnan New Town	Tianjin	Residential/office/ commercial/hotel	196	25
66	Tianjin The Cosmos	Tianjin	Residential/villa/ commercial	176	100
67	Tianjin Apex	Tianjin	Residential/office/ commercial	32	100
68	Beautiful and Happy Life	Tianjin	Residential/commercial	41	100
69	Joy Fun City	Tianjin	Residential/commercial	173	60
70	The Core of Center	Nanning	Residential/villa/serviced apartment/commercial/ hotel	240	100
71	International Finance Place	Nanning	Office/commercial	53	100
72	Top of World	Nanning	Residential/villa/serviced apartment/commercial/ hotel	78	100
73	Fragrant Season	Nanning	Residential/villa/ commercial	9	100
74	Impression Discovery Bay I	Nanning	Residential/commercial	1	34
75	Impression Discovery Bay II	Nanning	Residential/commercial	3	34
76	Emerald City	Nanning	Residential/serviced apartment/commercial	256	100
77	The Moon Mansion	Hangzhou	Residential/villa	3	100
78	Sky Ville	Hangzhou	Residential/villa	1	100
79	Puli Oriental	Hangzhou	Residential/commercial	8	50
80	Malus Moon	Hangzhou	Residential/villa/ commercial	4	100
81	Precious Mansion	Hangzhou	Residential/office/ commercial	35	100
82	Season Mix	Hangzhou	Residential/commercial/ hotel	15	25
83	Shine City	Nanjing	Residential/office/ commercial	1	50
84	South Bank Palace	Nanjing	Residential/commercial	1	19.75
85	Ruyi Palace	Nanjing	Residential/commercial	1	50
86	Oriental Bund	Foshan	Residential/villa/serviced apartment/commercial/ hotel	831	50
87	The Riviera	Foshan	Residential/commercial	11	100

No.	Project	District	Type of Product	Total GFA	Interest
				Attributable to the Group's Interest ('000 sq.m.)	Attributable to the Group (%)
88	Foshan Apex	Foshan	Residential/serviced apartment/commercial	6	50
89	China Image	Foshan	Residential/commercial	3	34
90	The One	Hefei	Residential/commercial	58	100
91	Park Mansion	Hefei	Residential	4	100
92	The Buttonwood Season I	Ezhou	Residential/villa/commercial	9	100
93	The Buttonwood Season II	Ezhou	Residential/villa/commercial	129	100
94	Exquisite Bay	Xuzhou	Residential/commercial	6	100
95	Fragrant Seasons	Xuzhou	Residential/commercial	11	50
96	Oriental Milestone	Xuzhou	Residential	76	100
97	Majestic Mansion	Jiaxing	Residential/commercial	3	100
98	Star City	Jiaxing	Residential	1	25
99	Noble Peak	Jiaxing	Residential	2	100
100	International Commercial Plaza	Jiaxing	Residential/serviced apartment/office/commercial/hotel	360	100
101	Top of World Residence I	Taizhou	Residential	2	100
102	Top of World Residence II	Taizhou	Residential/commercial	4	100
103	Linhai Mansion	Taizhou	Residential/commercial	2	100
104	Star Mansion	Taizhou	Residential/commercial	2	33
105	Lead Peak Mansion	Taizhou	Residential/commercial	1	100
106	Emerald the Bay	Taizhou	Residential/serviced apartment/office/commercial	255	50
107	Jinan Capital of Phoenix	Jinan	Residential/commercial	1	20
108	Jinan Tianchen	Jinan	Residential/commercial	26	20
109	The Inherited Villa	Changshu	Residential	1	25
110	The Riviera Chongqing	Chongqing	Residential/commercial/hotel	13	100
111	The Cosmos Chongqing	Chongqing	Residential/serviced apartment/office/commercial/hotel	213	100
112	The Moon Mansion	Chongqing	Residential/commercial	1	39
113	Mansion of Jasper	Chongqing	Residential/commercial	1	50
114	Jade Moon Villa	Chongqing	Residential/commercial	1	50
115	Jinzhū Tianyi Huayuan	Taicang	Residential	11	100
116	Oriental Mansion	Wuxi	Residential/commercial	1	20
117	Exquisite Palace	Wuxi	Residential/commercial	3	45



No.	Project	District	Type of Product	Total GFA	
				Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
118	Vision of the World	Zhaoqing	Residential/commercial	84	100
119	River View Mansion	Zhaoqing	Residential/commercial	1	33
120	The Moon Mansion	Zhongshan	Residential/commercial	31	50
121	Serenity in Prosperity	Nantong	Residential/villa/ commercial	4	51
122	Oriental Beauty	Nantong	Residential	1	70
123	The Moon Mansion	Liuzhou	Residential/villa/ commercial	4	100
124	Fortunes Season	Liuzhou	Residential/commercial/ hotel/educational	897	100
125	Shenzhen Bantian Project	Shenzhen	Serviced apartment/office/ commercial/hotel	61	51
126	KWG Topchain City Center	Shenzhen	Serviced apartment/office/ commercial	27	51
127	Grand Oasis	Shenzhen	Serviced apartment/office/ commercial/hotel	8	55
128	Shenzhen Longhua Project	Shenzhen	Residential/office/ commercial/industrial/ educational	79	50
129	Shaoxing Project	Shaoxing	Residential/villa	1	24.9
130	Skyline Seasons	Huizhou	Residential/commercial	205	100
131	Huizhou Longmen Project — Educational#[2019]011	Huizhou	Educational	11	100
132	Huizhou Longmen Project — Educational#[2019]014	Huizhou	Educational	61	100
133	Jiangmen Apex International	Jiangmen	Residential/serviced apartment/commercial	30	100
134	Cullinan Mansion	Wenzhou	Residential/commercial	2	100
135	Art Wanderland	Dongguan	Residential/commercial	1	12.5
136	Center Mansion	Dongguan	Residential/villa/ commercial	6	20
137	Yangzhou Apex	Yangzhou	Residential/commercial	82	100
138	Parkview Palace	Ningbo	Residential	2	49
139	Meishan Apex	Meishan	Residential/commercial	1	100
140	River State	Meishan	Residential/commercial	56	34
141	Chenzhou Wangxian Eco-tourism Project	Chenzhou	Residential/villa	63	50
142	KWG Tusholdings Ice Snow	Wuzhou	Residential/commercial	256	100
143	Meet	Xi'an	Serviced apartment/ commercial/hotel	12	100

No. Project	District	Type of Product	Total GFA	Interest
			Attributable to the Group's Interest ('000 sq.m.)	Attributable to the Group (%)
144 Salar de Uyuni	Zhaotong	Residential/commercial/hotel	159	67.11
145 Salar de Uyuni Guan Lake Phase 2 — #17-28	Zhaotong	Residential/Commercial	87	70.56
146 Salar de Uyuni Guan Lake Phase 1 — #17-29	Zhaotong	Residential/Commercial	112	70.56
147 KWG Haya City	Yancheng	Residential/serviced apartment/commercial/hotel	555	100
148 Phoenix International	Fuzhou	Serviced apartment/office/commercial	47	22.4
149 The Corniche (formerly known as Hong Kong Ap Lei Chau Project)	Hong Kong	Residential	34	50

## Employees and Emolument Policies

As at 30 June 2024, the Group employed a total of approximately 1,940 employees. The total staff costs incurred were approximately RMB236.6 million during the six months ended 30 June 2024. The remuneration of employees was determined based on their performance, skill, experience and prevailing industry practices. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment to be commensurate with the pay level in the industry. In addition to basic salary, the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees), employees may be offered with discretionary bonus and cash awards based on individual performance.

The Company has adopted the share award scheme and the share option scheme in order to recognize and motivate the contributions by the eligible participants of the Group and help in retaining them for the Group's further development.

In addition, training and development programmes are provided on an on-going basis throughout the Group.

## INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2024 (2023: Nil).

## CORPORATE GOVERNANCE

The Group believes that sound and good corporate governance practices are not only key elements in enhancing investor's confidence and the Company's accountability and transparency, but also important to the Company's long-term success, therefore, the Group strives to attain and maintain effective corporate governance practices and procedures.

During the period ended 30 June 2024, save as disclosed below, the Company has complied with the requirements under the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules.

- Code provision C.5.7 of Part 2 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.

During the period, the Board approved the continuing connected transactions in relation to the renewal of leasing of properties to Guangzhou Kai Chuang Business Investments Group Company Limited\* (廣州凱創商務投資集團有限公司) ("Guangzhou Kai Chuang") by way of passing the written resolutions. Mr. KONG Jiantao is the executive Director and chief executive officer of the Company, and also the ultimate beneficial owner of Guangzhou Kai Chuang. Therefore, Mr. KONG Jiantao was regarded as having material interests therein. Please refer to the Company's announcements dated 16 April 2024 and 2 July 2024, respectively, for details.

The Board considered that (1) the terms of the above transactions are on normal commercial terms or better, and the relevant terms of the agreements for the transactions (including the relevant annual caps) are fair and reasonable, and are in the interests of the Company and the shareholders of the Company (the "Shareholders") as a whole; (2) the relevant Director have abstained from voting on the relevant resolutions of the above transactions; and (3) the adoption of written resolutions would facilitate and maximize the effectiveness of decision-making and implementation. The Board shall nevertheless review its board meeting arrangement from time to time to ensure the appropriate action is being taken to comply with the requirements under the CG Code.

- Following the resignation of Mr. LEE Ka Sze, Carmelo on 1 March 2024, the Company failed to meet the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules that the audit committee of the Company (the “**Audit Committee**”) must comprise a minimum of three members.

After the appointment of Ms. WONG Man Ming, Melinda on 1 April 2024, the Company is in compliance with the requirements of Rule 3.10(1) and Rule 3.21 of the Listing Rules.

- Code provision F.2.2 of Part 2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting. Mr. KONG Jianmin, an executive Director and the chairman of the Board, was unable to attend the annual general meeting of the Company convened and held on 5 June 2024, due to his other engagements. In the absence of Mr. KONG Jianmin from the aforesaid annual general meeting, Mr. KONG Jiannan, an executive Director, acted as the chairman of the aforesaid annual general meeting to ensure an effective communication with the Shareholders. Mr. KONG Jianmin has also followed up with Mr. KONG Jiannan for any opinions or concerns of the Shareholders expressed at the annual general meeting afterward.

## **COMPLIANCE WITH MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its code of conduct regarding directors’ securities transactions. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2024.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2024.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee of the Company has reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2024. The audit committee of the Company comprises three members who are independent non-executive Directors.

## **INTERIM REPORT**

The interim report for the six months ended 30 June 2024 containing all the information required by the Listing Rules will be published on the websites of the Company ([www.kwggroupholdings.com](http://www.kwggroupholdings.com)) and HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) in due course, and printed copies will be sent to the Shareholders (if requested).

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

Hong Kong, 28 August 2024

*As at the date of this announcement, the Board comprises seven Directors, of whom Mr. KONG Jianmin (Chairman), Mr. KONG Jiantao (Chief Executive Officer), Mr. KONG Jiannan and Mr. CAI Fengjia are Executive Directors; and Mr. TAM Chun Fai, Mr. LAW Yiu Wing, Patrick and Ms. WONG Man Ming, Melinda are Independent Non-executive Directors.*