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: 40117, 40465 and 40683)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

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 2025, together with the comparative figures for the corresponding period in 2024, the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2025 together with audited comparative figures as at 31 December 2024. The unaudited condensed consolidated interim financial information was reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2025	2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
REVENUE	4	**3,792,305**	5,233,954
Cost of sales		**(3,698,829)**	(5,136,125)
Gross profit		**93,476**	97,829
Other income and gains, net	4	**29,689**	509,963
Selling and marketing expenses		**(342,032)**	(453,636)
Administrative expenses		**(642,180)**	(745,547)
Other operating expenses		**(255,105)**	(3,917,521)
Fair value losses on investment properties, net		**(122,004)**	(470,912)
Finance costs	5	**(1,008,122)**	(1,910,503)
Share of losses of:			
Associates		**(41,747)**	(5,067)
Joint ventures		**(873,725)**	(923,754)
LOSS BEFORE TAX	6	**(3,161,750)**	(7,819,148)
Income tax credits/(expenses)	7	**990,068**	(313,868)
LOSS FOR THE PERIOD		**(2,171,682)**	(8,133,016)

	Note	Six months ended 30 June **2025** ***RMB'000*** **(Unaudited)**	2024 *RMB'000* (Unaudited)
Attributable to:			
Owners of the Company		**(2,053,365)**	(8,223,670)
Non-controlling interests		**(118,317)**	90,654
		(2,171,682)	(8,133,016)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		
Basic			
— For loss for the period		**RMB(60) cents**	RMB(241) cents
Diluted			
— For loss for the period		**RMB(60) cents**	RMB(241) cents

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(2,171,682)**	(8,133,016)
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	**178,029**	(83,055)
Share of exchange differences on translation of joint ventures	**45,939**	(15,974)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**223,968**	(99,029)
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	**322,114**	(132,335)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**322,114**	(132,335)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**546,082**	(231,364)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(1,625,600)**	(8,364,380)
Attributable to:		
Owners of the Company	**(1,507,283)**	(8,455,034)
Non-controlling interests	**(118,317)**	90,654
	(1,625,600)	(8,364,380)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June 2025	31 December 2024
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**8,802,174**	9,006,400
Investment properties		**21,668,250**	21,927,890
Land use rights		**3,255,429**	3,453,471
Interests in associates		**6,982,219**	7,030,378
Interests in joint ventures		**30,853,313**	31,704,245
Deferred tax assets		**2,133,640**	2,111,804
Total non-current assets		**73,695,025**	75,234,188
CURRENT ASSETS			
Properties under development		**43,946,595**	45,073,983
Completed properties held for sale		**17,674,617**	17,041,561
Trade receivables	10	**293,641**	287,543
Prepayments, other receivables and other assets		**13,419,300**	13,708,501
Due from a joint venture		**19,129**	19,129
Tax recoverables		**1,158,259**	1,183,937
Cash and bank balances	11	**837,316**	787,445
Total current assets		**77,348,857**	78,102,099
CURRENT LIABILITIES			
Trade and bills payables	12	**19,854,496**	18,928,404
Lease liabilities		**11,889**	17,959
Other payables and accruals		**26,249,856**	26,766,236
Due to joint ventures		**8,054,493**	8,088,049
Due to associates		**1,371,866**	1,364,879
Interest-bearing bank and other borrowings		**48,172,153**	46,193,153
Tax payables		**13,434,027**	14,392,883
Total current liabilities		**117,148,780**	115,751,563
NET CURRENT LIABILITIES		**(39,799,923)**	(37,649,464)
TOTAL ASSETS LESS CURRENT LIABILITIES		**33,895,102**	37,584,724

	As at	
	30 June	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	**64,703**	68,723
Interest-bearing bank and other borrowings	**24,668,865**	26,731,899
Deferred tax liabilities	**1,648,723**	1,645,691
Deferred revenue	**2,042**	2,042
Total non-current liabilities	**26,384,333**	28,448,355
NET ASSETS	**7,510,769**	9,136,369
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**325,768**	325,768
Reserves	**2,169,226**	3,676,509
	2,494,994	4,002,277
Non-controlling interests	**5,015,775**	5,134,092
TOTAL EQUITY	**7,510,769**	9,136,369

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 2025.

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 2024, 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 2025, the Group incurred a net loss of approximately RMB2,171,682,000, and as of that date, the Group had net current liabilities of approximately RMB39,799,923,000, and the Group's current portion of bank and other borrowings amounted to approximately RMB48,172,153,000, while its cash and bank balances amounted to approximately RMB837,316,000.

The Group did not repay the principal and interest payables of several USD denominated senior notes (the "**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. The Company had also suspended trading of all its Senior Notes listed on the Stock Exchange in May 2023. As of 30 June 2025, 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 RMB46,681,193,000.

The above conditions indicate the existence of uncertainties of 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) Since the launch of the project whitelist mechanism, in which 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 been actively submitting application to respective local authorities for inclusion of its projects into the whitelist. As at the date of this announcement, 33 projects of the Group has been included in the whitelist, with another 7 projects in the application process. An aggregate loan principal of approximately RMB8.6 billion has been extended for the project financing on these projects as of the date of this announcement. The Group will continue to submit applications for other projects of the Group not yet included in the whitelist, to facilitate the Group to obtain project development financing and/or refinancing for its projects.

(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. In this regard, the Group and its offshore advisors have been communicating and constructively engaging with an ad hoc group ("AHG") of certain holders of the Senior Notes which, as at the date of this announcement, is holding approximately 27% in aggregate principal amount of the Senior Notes and its advisors, together with a group of bank lenders in respect of the Company's syndicated loan (the "Syndicated Loan") and their respective advisors, to facilitate the formulation of a consensual and holistic restructuring proposal in respect of certain of the Company's offshore indebtedness with an aggregate principal amount of approximately USD4.6 billion (the "Target Existing Debts").

    Having considered the Company's debt servicing capability and the prevailing property market conditions, the Company's latest restructuring proposal entails various options to achieve a significant de-leveraging of the Target Existing Debts, the bid-ask gap on the de-leveraging ratio is subject to further negotiation between the AHG and the Company as at the date of this announcement, while accommodating the needs and preferences of different creditors.

(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 HKD8.2 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 2025. 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 2025. 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 successful 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; and

(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 followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability — Amendments to HKAS 21

The amendments to HKAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's financial statements.

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:

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue:		
Revenue from contracts with customers		
Sale of properties	**3,072,560**	4,421,186
Hotel operation income	**313,640**	365,388
Revenue from other sources		
Gross rental income	**406,105**	447,380
	3,792,305	5,233,954
Other income and gains, net:		
Interest income	**1,536**	23,417
Others	**28,153**	486,546
	29,689	509,963

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 2025 as follows:

	Property development *RMB'000* (Unaudited)	Hotel operation *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Type of revenue recognition:			
Sales of properties	**3,072,560**	**—**	**3,072,560**
Provision of services	**—**	**313,640**	**313,640**
Total revenue from contracts with customers	**3,072,560**	**313,640**	**3,386,200**
Timing of revenue recognition:			
Recognised at a point in time	**3,043,226**	**—**	**3,043,226**
Recognised over time	**29,334**	**313,640**	**342,974**
Total revenue from contracts with customers	**3,072,560**	**313,640**	**3,386,200**

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

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

The segment results for the six months ended 30 June 2025 are as follows:

	Property development *(Note)* ***RMB'000*** **(Unaudited)**	**Property investment** ***RMB'000*** **(Unaudited)**	**Hotel operation** ***RMB'000*** **(Unaudited)**	**Total** ***RMB'000*** **(Unaudited)**
Segment revenue:				
Sales to external customers and revenue	**3,072,560**	**406,105**	**313,640**	**3,792,305**
Segment results	**(1,851,814)**	**168,335**	**67,808**	**(1,615,671)**
Reconciliation:				
Interest income and unallocated income				**29,689**
Unallocated expenses				**(567,646)**
Finance costs				**(1,008,122)**
Loss before tax				**(3,161,750)**
Income tax credits				**990,068**
Loss for the period				**(2,171,682)**

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

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

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	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**2,543,808**	2,301,817
Interest on lease liabilities	**1,538**	9,393
Less: Interest capitalised	**(1,537,224)**	(400,707)
	1,008,122	1,910,503

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**3,504,344**	4,894,630
Cost of services provided	**194,485**	241,495
Depreciation	**137,803**	125,284
Amortisation of land use rights	**49,257**	38,181
Less: Amount capitalised in assets under construction	**(30,058)**	(23,411)
	19,199	14,770
(Gain)/loss on disposal of items of property, plant and equipment	**(6)**	47,016
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**134,504**	221,757
Pension scheme contributions (defined benefit plans)	**13,547**	14,849
	148,051	236,606
Less: Amount capitalised in assets under construction, properties under development and investment properties under development	**(16,617)**	(17,490)
	131,434	219,116
Impairment losses recognised for properties under development and completed properties held for sales*	**255,105**	3,917,521

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

7. INCOME TAX (CREDITS)/EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – in the People's Republic of China ("**PRC**")		
Corporate income tax ("**CIT**")	**(995,472)**	399,319
Land appreciation tax ("**LAT**")	**24,208**	98,662
	(971,264)	497,981
Deferred	**(18,804)**	(184,113)
Total tax (credits)/charges for the period	**(990,068)**	313,868

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 2025 and 2024.

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 2025 and 2024, 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 2025 (2024: 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 2025 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 (2024: 3,418,883,945) in issue during the period.

For the six months ended 30 June 2025, 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 (2024: 3,418,883,945).

Diluted loss per share amount for the period ended 30 June 2025 and 2024 was the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the period.

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

	Six months ended 30 June	
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	**(2,053,365)**	(8,223,670)

	Number of shares	
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	**3,418,883,945**	3,418,883,945

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	31 December
	2025	2024
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**260,004**	260,450
7 to 12 months	**726**	5,252
Over 1 year	**32,911**	21,841
	293,641	287,543

11. CASH AND BANK BALANCES

	As at 30 June 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Cash and bank balances	**837,316**	787,445
Less: Restricted cash	**(688,120)**	(634,881)
Cash and cash equivalents	**149,196**	152,564

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 2025 *RMB'000* (Unaudited)	As at 31 December 2024 *RMB'000* (Audited)
Within 1 year	**15,623,515**	13,807,265
Over 1 year	**4,230,981**	5,121,139
	19,854,496	18,928,404

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

13. EVENTS AFTER THE REPORTING PERIOD

A winding-up petition against the Company dated 11 August 2025 was filed by Shandong Sunlight Xin Tiandi Micro-finance Company Limited at the High Court of the Hong Kong Special Administrative Region against the Company in relation to the outstanding debt in the principal amount of approximately RMB642,000,000 and interest accrued in the amount of approximately RMB136,240,000 guaranteed by the Company.

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 RMB3,792.3 million in the first half of 2025, representing a decrease of 27.5% from approximately RMB5,234.0 million for the corresponding period in 2024.

The revenue generated from property development, property investment and hotel operation were approximately RMB3,072.6 million, RMB406.1 million and RMB313.6 million, respectively, during the six months ended 30 June 2025.

Proportionate revenue amounted to approximately RMB5,641.4 million in the first half of 2025, representing a decrease of 23.7% from approximately RMB7,397.7 million for the corresponding period in 2024.

Property development

Revenue generated from property development decreased by 30.5% to approximately RMB3,072.6 million for the six months ended 30 June 2025 from approximately RMB4,421.2 million for the corresponding period in 2024, primarily due to a decrease in the total gross floor area ("**GFA**") delivered from 398,698 sq.m. for the corresponding period in 2024 to 348,103 sq.m. in the first half of 2025.

The average selling price ("**ASP**") decreased from RMB11,089 per sq.m. for the corresponding period in 2024 to RMB8,827 per sq.m. for the six months ended 30 June 2025, primarily due to the price cuts and promotional activities implemented across the sluggish market of real estate to accelerate the properties clearance during the six months ended 30 June 2025.

Proportionate revenue generated from property development decreased by 25.9% to approximately RMB4,741.4 million for the six months ended 30 June 2025 from approximately RMB6,402.5 million for the corresponding period in 2024, primarily due to the decrease in the total GFA delivered to 470,133 sq.m. for the six months ended 30 June 2025 from 543,416 sq.m. for the corresponding period in 2024. The proportionate ASP decreased from RMB11,782 per sq.m. for the corresponding period in 2024 to RMB10,085 per sq.m. for the six months ended 30 June 2025.

Property investment

Revenue generated from property investment decreased by 9.2% to approximately RMB406.1 million for the six months ended 30 June 2025 from approximately RMB447.4 million for the corresponding period in 2024, primarily due to the decrease in volume of rental business resulting from downturn in the overall economic environment.

Hotel operation

Revenue generated from hotel operation decreased by 14.2% to approximately RMB313.6 million for the six months ended 30 June 2025 from approximately RMB365.4 million for the corresponding period in 2024, primarily due to a decrease in occupancy rate of hotels resulting from downturn in the overall economic environment.

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 28.0% to approximately RMB3,698.8 million for the six months ended 30 June 2025 from approximately RMB5,136.1 million for the corresponding period in 2024. The decrease was primarily due to the decrease in total GFA delivered in sales of properties.

Land cost per sq.m. decreased from RMB3,835 for the corresponding period in 2024 to RMB3,689 for the six months ended 30 June 2025.

Construction cost per sq.m. decreased from RMB4,627 for the corresponding period in 2024 to RMB4,420 for the six months ended 30 June 2025.

Proportionate cost of sales amounted to approximately RMB5,973.2 million in the fist half of 2025, representing a decrease of 16.8% from approximately RMB7,180.1 million for the corresponding period in 2024. Proportionate land cost per sq.m. increased from RMB4,527 in the corresponding period in 2024 to RMB4,942 in the first half of 2025. Proportionate construction cost per sq.m. decreased from RMB6,574 in the corresponding period in 2024 to RMB5,410 in the first half of 2025.

Gross Profit

Gross profit of the Group decreased by 4.4% to approximately RMB93.5 million for the six months ended 30 June 2025 from approximately RMB97.8 million for the corresponding period in 2024. The decrease of gross profit was principally due to the decrease in the total sales in the first half of 2025.

Other Income and Gains, Net

Other income and gains decreased by 94.2% to approximately RMB29.7 million for the six months ended 30 June 2025 from approximately RMB510.0 million for the corresponding period in 2024.

Selling and Marketing Expenses

Selling and marketing expenses of the Group decreased by 24.6% to approximately RMB342.0 million for the six months ended 30 June 2025 from approximately RMB453.6 million for the corresponding period in 2024, which mainly due to the decrease in sales leading to a reduction in related expenses.

Administrative Expenses

Administrative expenses of the Group decreased by 13.9% to approximately RMB642.2 million for the six months ended 30 June 2025 from approximately RMB745.5 million for the corresponding period in 2024. This was mainly due to the optimization and adjustment of the enterprise's organizational structure, which had helped in saving costs.

Other Operating Expenses

The Group reported other operating expenses of approximately RMB255.1 million for the six months ended 30 June 2025 (2024: approximately RMB3,917.5 million). This was 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 RMB122.0 million for the six months ended 30 June 2025 (2024: approximately RMB470.9 million), mainly related to a revaluation losses during the period.

Finance Costs

Finance costs of the Group being approximately RMB1,008.1 million for the six months ended 30 June 2025 (2024: approximately RMB1,910.5 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 had not been capitalised.

Share of Losses of Joint Ventures

The Group recorded a share of losses of joint ventures of approximately RMB873.7 million for the six months ended 30 June 2025 (2024: approximately RMB923.8 million).

This is mainly attributable to the decrease in gross loss because of the change in delivery portfolio with different city mix compared with that in 2024.

Income Tax Credits/(Expenses)

The Group recorded income tax credits of approximately RMB990.1 million in the first half of 2025, whereas an income tax expenses of approximately RMB313.9 million was recorded in the corresponding period of 2024. It was mainly due to the reversal of income tax expense accrued in previous years that were no longer required to be paid.

Loss for the Period

The Group reported loss for the period of approximately RMB2,171.7 million for the six months ended 30 June 2025 (2024: approximately RMB8,133.0 million).

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2025, the carrying amounts of the Group's cash and bank balances were approximately RMB837.3 million (31 December 2024: approximately RMB787.4 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 2025, the Group's restricted cash was approximately RMB688.1 million (31 December 2024: approximately RMB634.9 million).

Borrowings and Charges on the Group's Assets

As at 30 June 2025, the Group's bank and other loans, senior notes and domestic corporate bonds were approximately RMB41,428.2 million, RMB27,925.4 million and RMB3,487.4 million respectively. Amongst the bank and other loans, approximately RMB18,948.6 million will be repayable within 1 year, approximately RMB14,467.0 million will be repayable between 2 and 5 years and approximately RMB8,012.6 million will be repayable over 5 years. All of the senior notes have been represented as current liabilities. Amongst the domestic corporate bonds, approximately RMB1,298.1 million will be repayable within 1 year, approximately RMB2,189.3 million will be repayable between 2 and 5 years.

As at 30 June 2025, the Group's bank and other loans of approximately RMB40,758.7 million and domestic corporate bonds of approximately RMB3,487.4 million were secured by buildings, land use rights, investment properties, properties under development, completed properties held for sale, 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 RMB1,828.0 million and RMB1,149.9 million as at 30 June 2025 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 RMB8,215.8 million which were charged at fixed interest rates as at 30 June 2025. 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 2025.

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 2025, the gearing ratio was 958.7% (31 December 2024: 789.6%).

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 2025, the exchange rates of RMB against the U.S. dollar and the Hong Kong dollar increased 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 2025, the Group had the contingent liabilities relating to guarantees given to banks in respect of mortgage facilities for certain purchasers amounting to approximately RMB9,289.4 million (31 December 2024: approximately RMB9,584.7 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 2025 and the financial statements as at 31 December 2024 for the guarantees.

(ii) As at 30 June 2025 and 31 December 2024, the Group had provided guarantees in respect of certain bank loans for its joint ventures, associates, third parties and related companies.

Market Review

In the first half of 2025, China's real estate market exhibited characteristics of "structural divergence" amid the interplay of continued policy easing and in-depth industry adjustments, which further increasingly varied between core and non-core cities, new and second-hand homes, and among different types of real estate enterprises.

According to data from the National Bureau of Statistics, from January to June 2025, the nationwide property development investment decreased by 11.2% year-on-year to RMB4,665.8 billion. The sales area of commodity properties decreased by 3.5% year-on-year to RMB458.51 million sq.m., and the sales of commodity properties decreased by 5.5% to RMB4,424.1 billion. Despite the sustained market downturn, the decline in sales area and sales narrowed by 15.5% and 19.5%, respectively, as compared to the corresponding period in 2024. The improvement was mainly attributable to the release of demand during the initial phase of policy stimulus, but the market weakened again after June, reflecting the lack of consistent policy effects. Available funds for property development enterprises decreased by 6.2% year-on-year to RMB5,020.2 billion. Owing to the reduction in new projects and the concentrated approach in addressing debt issues, banking institutions still lacked confidence in real estate enterprises, and the severe financial status of such enterprises has yet to improve. In terms of cities, first-tier cities recorded outstanding performance with transactions of second-hand homes increased by 18.6% to 30.7% year-on-year, hitting a record high in recent years. Land market in core second-tier cities, such as Hangzhou and Chengdu, saw a stronger enthusiasm with relatively higher average premium rates. However, land transaction area in third- and fourth-tier cities dropped by 5.5% year-on-year, accompanied by prolonged sell-through cycles and significant inventory pressure.

From January to June 2025, the prices of second-hand homes across 100 cities cumulatively fell by 3.6%, marking 38 consecutive months of decline. While prices of new homes have avoided a systemic decline, property enterprises have widely adopted a strategy of "increasing trade volume by lowering prices". The downward trend in prices aroused a strong caution from homebuyers, particularly affecting the demand for home upgrades, which has been constrained by the clogged chain of "selling old to buy new".

Business Review

In response to the in-depth adjustments of the industry, KWG Group not only took proactive actions to ensure delivery of properties, but also strived to address debt issues, put stepped-up efforts to boost sales and disposal of high-quality assets and maintained daily operations.

In the first half of 2025, the Group had a total of 147 major projects (excluding residual projects), spanning 42 cities in Chinese Mainland and Hong Kong. The Group's gross pre-sales amounted to RMB3.565 billion for the first half of the year, and the pre-sales area was 0.1397 million sq.m., with an average pre-selling price of RMB25,511 per sq.m. The Guangdong-Hong Kong-Macao Greater Bay Area continued to contribute to the Company's performance, accounting for approximately 78% of the total revenue. The Group's land reserve, in terms of attributable gross floor area, was 11.43 million sq.m., with an attributable interest ratio of approximately 75%, mainly distributed in high-tier cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, and Chengdu.

In the first half of 2025, the Group continued to respond to the policy of "guaranteeing delivery of properties and stabilizing people's livelihood" by making every effort to ensure project delivery. In the first half of the year, the Group, in aggregate, delivered approximately 4,900 units of properties with a gross floor area of approximately 0.71 million sq.m., conveying a positive message to customers and the market with tangible quality. Among these, key projects such as Guangzhou Landmark Arte Masterpiece, Guangzhou Richmond Greenville, Canton Financial Center, Hong Kong The Corniche and Foshan Oriental Bund continued to contribute to the Company's performance.

Investment Properties and Hotels

As a well-known urban operation service provider in China, KWG Group has been deeply focused on the commercial sector for many years, developing a diverse range of mature business segments, which comprise multiple investment properties including shopping malls, office buildings and hotels. Among these, the Group owns 14 shopping malls under operation, 9 office buildings and 13 hotels of self-owned brands under development and management, in addition to 5 cooperative hotels under foreign brands.

From January to June 2025, the Group's rental income amounted to RMB406 million, decreased by 9.2% year-on-year. Against the backdrop of slow recovery of consumption and ongoing economic pressure, the Group's operating properties faced challenges from oversupply in the market and the weakened leasing capacity of small and medium-sized enterprises. In the second half of the year, the Group will step up its efforts in tenant management and review to ensure the operation of projects in an orderly manner, while leveraging the brand effects of award-winning projects to continuously enhance operational efficiency and attractiveness. The Group's core properties are mainly located in the central districts of first- and second-tier cities, including Guangzhou, Shanghai, Beijing and Nanning, targeting local core business and leisure populations. In the first half of 2025, KWG M • Cube (Beijing) located in Chongwenmen, Beijing, was awarded the "2025 CCFA Golden Lily Best Practice Case Award for Shopping Malls" by the China Chain Store & Franchise Association; in the office building sector, Guangzhou International Finance Place was awarded the "2025 • China Real Estate Commercial Management Benchmarking Project (Enterprise) Award" by CRIC Property Management; and the Group's commercial asset management team was awarded the "Golden Coordinate Award — Annual Commercial Innovation Promotion Enterprise" by Winshang.com.

Revenue from hotel business amounted to RMB314 million, decreased by 14.2% year-on-year. With the economic environment remained under pressure in the first half of the year, coupled with adjustments to projects by the hotel group, the segment recorded a decline in revenue for the first half of the year. Given the Group's hotel management experience accumulated over the years, and its in-depth cooperation with international hotel management groups, the Group's own brand, The Mulian, has steadily enhanced its brand influence through mature management and operational performance. The cooperative hotel business operated robustly with occupancy rates remained stable. In the second half of 2025, the Group expects to add two new hotels of The Mulian in Guangzhou and Chengdu.

Outlook

The first half of 2025 marks a critical transition phase for China's real estate market from "policy-driven" to "market-driven." Core cities demonstrated resilience under benefits of the related policies, while non-core cities remained deeply entrenched in a period of adjustment. In the second half of the year, it is expected that intensified policy efforts will be made on striking a balance between "stabilizing expectations" and "managing risks" to reshape the supply and demand dynamics through long-term mechanisms such as land reserves and construction of affordable housing. Meanwhile, real estate enterprises will be encouraged to shift from "expansion in size" to "value creation" with a view to ultimately realizing high-quality development of the industry.

During the industry's in-depth adjustment, KWG Group has adhered to three main approaches: relying on core projects in the Greater Bay Area to replenish cash flow and ensure cash flow adequacy; fulfilling brand commitments through benchmark projects to reinforce public trust; and advancing debt restructuring both at home or abroad in full force to secure business continuity and development. The Group has all along consistently adhered to the core philosophy of "building home with heart, creating future with aspiration", continuously creating value for its customers from a long-term perspective.

The Group's Property Development Overview

As of 30 June 2025, the Group's main 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 Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
1	The Summit	Guangzhou	Residential/villa/serviced apartment/office/ commercial/hotel	757	100
2	International Metropolitan Plaza	Guangzhou	Office/commercial	39	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	295	100
6	The Eden	Guangzhou	Residential/commercial	2	50
7	Paradise by Moony Sky	Guangzhou	Villa/hotel	37	100
8	Essence of City	Guangzhou	Residential/villa/ commercial	13	100
9	International Commerce Place	Guangzhou	Office/commercial	50	50
10	CFC (including Mayfair and IFE (International Finance Edifice))	Guangzhou	Serviced apartment/office/ commercial	7	33.33
11	The Horizon	Guangzhou	Residential/villa/serviced apartment/office/ commercial/hotel	14	50
12	Blooming River	Guangzhou	Residential/villa/ commercial	39	50
13	Nansha River Paradise	Guangzhou	Residential/commercial	4	50
14	V-city	Guangzhou	Serviced apartment/ commercial	120	70
15	Montkam	Guangzhou	Residential/villa	3	30
16	The Beryl (Guangzhou Development Area Hotel A Project)	Guangzhou	Villa/serviced apartment/ commercial/hotel	11	60
17	The Beryl (Guangzhou Development Area Hotel B Project)	Guangzhou	Villa/serviced apartment/ office/commercial	22	100
18	Landmark Arte Masterpiece	Guangzhou	Residential/serviced apartment/commercial	89	100
19	Clover Shades	Guangzhou	Residential/commercial	18	62.5
20	The Emerald	Guangzhou	Residential	53	100
21	KWG Biovalley	Guangzhou	Villa/serviced apartment/ office/commercial	192	80
22	Longyatt Mansion	Guangzhou	Residential/commercial	68	100
23	Dreams Garden	Guangzhou	Residential/commercial	238	100
24	Lakeside Mansion	Guangzhou	Residential/commercial	295	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
25	Richmond Greenville	Guangzhou	Residential	68	100
26	Guangzhou Nansha Project	Guangzhou	Educational	89	60
27	The Star Garden	Guangzhou	Residential/commercial	194	87.5
28	ONE68	Guangzhou	Serviced apartment/office/commercial/hotel	69	100
29	IFP	Guangzhou	Office/commercial	61	100
30	Four Points by Sheraton Guangzhou, Dongpu	Guangzhou	Hotel	35	100
31	The Mulian Huadu	Guangzhou	Hotel	25	100
32	W Hotel/W Serviced Apartments	Guangzhou	Hotel/serviced apartment	80	100
33	The Mulian Guangzhou	Guangzhou	Hotel	8	100
34	The Sapphire	Suzhou	Residential/serviced apartment/office/commercial/hotel	37	100
35	Suzhou Apex	Suzhou	Residential/serviced apartment/commercial/hotel	127	100
36	Leader Plaza	Suzhou	Serviced apartment/office/commercial	21	100
37	Fortune Plaza	Suzhou	Office/commercial/hotel	18	100
38	Suzhou Jade Garden	Suzhou	Residential/commercial	2	100
39	Orient Aesthetics	Suzhou	Residential/commercial	3	20
40	Swan Harbor Park	Suzhou	Residential/serviced apartment/office/commercial/hotel	87	50
41	Blessedness Seasons	Suzhou	Residential/commercial	3	49
42	The Vision of the World	Chengdu	Residential/serviced apartment/commercial	39	100
43	Chengdu Cosmos	Chengdu	Residential/serviced apartment/office/commercial/hotel	225	100
44	Yunshang Retreat	Chengdu	Residential/villa/serviced apartment/commercial/hotel	568	55
45	The Jadeite	Chengdu	Residential/villa/commercial/hotel	22	100
46	Fragrant Seasons	Beijing	Residential/villa/serviced apartment/commercial	1	100
47	La Villa	Beijing	Residential/villa/commercial	1	50

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
48	Beijing Apex	Beijing	Residential/villa/serviced apartment/commercial	2	50
49	M • Cube	Beijing	Commercial	16	100
50	Uptown Riverside I	Beijing	Serviced apartment/office/ commercial	128	100
51	Uptown Riverside II	Beijing	Serviced apartment/office/ commercial	53	100
52	Rose and Ginkgo Mansion	Beijing	Residential/villa/office/ commercial	27	33
53	The Core of Center (Beijing Niulanshan Complex Project)	Beijing	Residential/villa/ commercial/hotel	186	100
54	New Chang'an Mansion	Beijing	Residential/office/ commercial/hotel	30	100
55	Pearl Coast	Hainan	Residential/villa/ commercial/hotel	88	100
56	Moon Bay	Hainan	Residential/villa/ commercial/hotel	328	100
57	The Cloud World	Hainan	Villa/commercial	76	100
58	International Metropolis Plaza	Shanghai	Office/commercial	39	100
59	Shanghai Sapphire	Shanghai	Residential/serviced apartment/commercial	43	85.3
60	Amazing Bay	Shanghai	Residential/serviced apartment/office/ commercial/hotel	24	50
61	Vision of the World	Shanghai	Residential/serviced apartment/commercial/ hotel	58	51
62	Glory Palace	Shanghai	Residential	3	100
63	KWG Biovalley	Shanghai	Office/commercial	121	90
64	Jinnan New Town	Tianjin	Residential/office/ commercial/hotel	189	25
65	Tianjin The Cosmos	Tianjin	Residential/villa/ commercial	173	100
66	Tianjin Apex	Tianjin	Residential/office/ commercial	32	100
67	Beautiful and Happy Life	Tianjin	Residential/commercial	4	100
68	Joy Fun City	Tianjin	Residential/commercial	159	60
69	The Core of Center	Nanning	Residential/villa/serviced apartment/commercial/ hotel	240	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
70	International Finance Place	Nanning	Office/commercial	57	100
71	Top of World	Nanning	Residential/villa/serviced apartment/commercial/ hotel	78	100
72	Fragrant Season	Nanning	Residential/villa/ commercial	8	100
73	Impression Discovery Bay I	Nanning	Residential/commercial	1	34
74	Impression Discovery Bay II	Nanning	Residential/commercial	3	34
75	Emerald City	Nanning	Residential/serviced apartment/commercial	228	100
76	The Moon Mansion	Hangzhou	Residential/villa	3	100
77	Sky Ville	Hangzhou	Residential/villa	1	100
78	Puli Oriental	Hangzhou	Residential/commercial	8	50
79	Malus Moon	Hangzhou	Residential/villa/ commercial	4	100
80	Precious Mansion	Hangzhou	Residential/office/ commercial	28	100
81	Season Mix	Hangzhou	Residential/commercial/ hotel	14	25
82	Shine City	Nanjing	Residential/office/ commercial	1	50
83	South Bank Palace	Nanjing	Residential/commercial	1	19.75
84	Ruyi Palace	Nanjing	Residential/commercial	1	50
85	Oriental Bund	Foshan	Residential/villa/serviced apartment/commercial/ hotel	828	50
86	The Riviera	Foshan	Residential/commercial	10	100
87	Foshan Apex	Foshan	Residential/serviced apartment/commercial	6	50
88	China Image	Foshan	Residential/commercial	3	34
89	The One	Hefei	Residential/commercial	58	100
90	Park Mansion	Hefei	Residential	4	100
91	The Buttonwood Season I	Ezhou	Residential/villa/ commercial	9	100
92	The Buttonwood Season II	Ezhou	Residential/villa/ commercial	131	100
93	Exquisite Bay	Xuzhou	Residential/commercial	6	100
94	Fragrant Seasons	Xuzhou	Residential/commercial	11	50
95	Oriental Milestone	Xuzhou	Residential	75	100
96	Majestic Mansion	Jiaxing	Residential/commercial	3	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
97	Star City	Jiaxing	Residential	1	25
98	Noble Peak	Jiaxing	Residential	2	100
99	International Commercial Plaza	Jiaxing	Residential/serviced apartment/office/commercial/hotel	301	100
100	Top of World Residence I	Taizhou	Residential	1	100
101	Top of World Residence II	Taizhou	Residential/commercial	4	100
102	Linhai Mansion	Taizhou	Residential/commercial	2	100
103	Lead Peak Mansion	Taizhou	Residential/commercial	1	100
104	Emerald the Bay	Taizhou	Residential/serviced apartment/office/commercial	255	50
105	Jinan Capital of Phoenix	Jinan	Residential/commercial	1	20
106	Jinan Tianchen	Jinan	Residential/commercial	1	20
107	The Inherited Villa	Changshu	Residential	1	25
108	The Riviera Chongqing	Chongqing	Residential/commercial/hotel	9	100
109	The Cosmos Chongqing	Chongqing	Residential/serviced apartment/office/commercial/hotel	213	100
110	The Moon Mansion	Chongqing	Residential/commercial	1	39
111	Mansion of Jasper	Chongqing	Residential/commercial	1	50
112	Jade Moon Villa	Chongqing	Residential/commercial	1	50
113	Jinzhu Tianyi Huayuan	Taicang	Residential	9	100
114	Oriental Mansion	Wuxi	Residential/commercial	1	20
115	Exquisite Palace	Wuxi	Residential/commercial	3	45
116	Vision of the World	Zhaoqing	Residential/commercial	69	100
117	River View Mansion	Zhaoqing	Residential/commercial	1	33
118	The Moon Mansion	Zhongshan	Residential/commercial	31	50
119	Serenity in Prosperity	Nantong	Residential/villa/commercial	5	51
120	Oriental Beauty	Nantong	Residential	1	70
121	The Moon Mansion	Liuzhou	Residential/villa/commercial	4	100
122	Fortunes Season	Liuzhou	Residential/commercial/hotel/educational	801	100
123	Shenzhen Bantian Project	Shenzhen	Serviced apartment/office/commercial/hotel	61	51
124	KWG Topchain City Center	Shenzhen	Serviced apartment/office/commercial	1	51

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
125	Grand Oasis	Shenzhen	Serviced apartment/office/ commercial/hotel	7	55
126	Shenzhen Longhua Project	Shenzhen	Residential/office/ commercial/industrial/ educational	79	50
127	Shaoxing Project	Shaoxing	Residential/villa	1	24.9
128	Skyline Seasons	Huizhou	Residential/commercial	203	100
129	Huizhou Longmen Project-Educational#[2019]011	Huizhou	Educational	11	100
130	Huizhou Longmen Project-Educational#[2019]014	Huizhou	Educational	61	100
131	Jiangmen Apex International	Jiangmen	Residential/serviced apartment/commercial	29	100
132	Cullinan Mansion	Wenzhou	Residential/commercial	2	100
133	Art Wanderland	Dongguan	Residential/commercial	3	12.5
134	Center Mansion	Dongguan	Residential/villa/ commercial	6	20
135	Yangzhou Apex	Yangzhou	Residential/commercial	82	100
136	Parkview Palace	Ningbo	Residential	2	49
137	Meishan Apex	Meishan	Residential/commercial	1	100
138	River State	Meishan	Residential/commercial	31	34
139	Chenzhou Wangxian Eco-tourism Project	Chenzhou	Residential/villa	61	50
140	KWG Tusholdings Ice Snow	Wuzhou	Residential/commercial	210	100
141	Meet	Xi'an	Serviced apartment/ commercial/hotel	12	100
142	Salar de Uyuni	Zhaotong	Residential/commercial/ hotel	158	67.11
143	Salar de Uyuni Guan Lake [Phase 2 — #17–28]	Zhaotong	Residential/Commercial	87	70.56
144	Salar de Uyuni Guan Lake [Phase 1 — #17–29]	Zhaotong	Residential/Commercial	112	70.56
145	KWG Haya City	Yancheng	Residential/serviced apartment/commercial/ hotel	499	100
146	Phoenix International	Fuzhou	Serviced apartment/office/ commercial	47	22.4
147	The Corniche (formerly known as Hong Kong Ap Lei Chau Project)	Hong Kong	Residential	29	50

Employees and Emolument Policies

As at 30 June 2025, the Group employed a total of approximately 1,800 employees. The total staff costs incurred were approximately RMB148.1 million during the six months ended 30 June 2025. 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 2025 (2024: 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 2025, 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 21 March 2025 and 30 May 2025, 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.

- Code provision F.1.3 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 3 June 2025, 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.

- Code provision C.6.2 of Part 2 of the CG Code stipulates that, a board meeting should be held to discuss the appointment of the company secretary and the matter should be dealt with by holding a physical board meeting rather than a written resolution.

The appointment of the current Company Secretary of the Company, Mr. CHAN Sze Yin ("**Mr. CHAN**") was dealt with by way of circulation of written resolutions in lieu of holding a physical board meeting on 25 July 2025.

Although a physical board meeting was not held to discuss the appointment, the Directors were well informed of the educational background and working experiences of Mr. CHAN and were satisfied that Mr. CHAN possesses the required qualifications and expertise of the position. Prior to such appointment, all Directors were individually consulted with no dissenting opinion on the proposed matter. As such, it was considered that a physical board meeting was not necessary for approving the said appointment.

- The Company is in non-compliance of Chapter 14.41(a) of the Listing Rules regarding the despatch of circular related to major transactions of the Group dated 15 August 2023. The circular was being despatched on 24 April 2025 without waivers granted by the Stock Exchange on the delay in despatch. The Company has taken certain remedial actions to prevent recurrence in the future, including engaging independent third parties to perform internal control review. The Company shall implement the recommendations provided by the reviewer upon completion of the review.

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 2025.

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 2025.

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 2025. 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 2025 containing all the information required by the Listing Rules will be published on the websites of the Company (www.kwggroupholdings.com) and HKEXnews (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 2025

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.