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 Code: 40117)

(1) ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026;
(2) SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2025 (THE "ANNUAL REPORT");
AND
(3) CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

(1) 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 2026, together with the comparative figures for the corresponding period in 2025, the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2026 together with audited comparative figures as at 31 December 2025. The unaudited condensed consolidated interim financial information was reviewed by the audit committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	 2025 *RMB'000* (Unaudited)
REVENUE	4	**1,881,134**	3,792,305
Cost of sales		**(1,585,640)**	(3,698,829)
Gross profit		**295,494**	93,476
Other income and gains, net	4	**248,164**	29,689
Selling and marketing expenses		**(212,681)**	(342,032)
Administrative expenses		**(449,971)**	(642,180)
Other operating expenses		**(378,905)**	(255,105)
Fair value losses on investment properties, net		**(373,887)**	(122,004)
Finance costs	5	**(991,072)**	(1,008,122)
Share of losses of:			
Associates		**(40,220)**	(41,747)
Joint ventures		**(1,424,997)**	(873,725)
LOSS BEFORE TAX	6	**(3,328,075)**	(3,161,750)
Income tax credits	7	**740,033**	990,068
LOSS FOR THE PERIOD		**(2,588,042)**	(2,171,682)

	Note	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Attributable to:			
Owners of the Company		**(2,555,691)**	(2,053,365)
Non-controlling interests		**(32,351)**	(118,317)
		(2,588,042)	(2,171,682)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	9		
Basic			
— For loss for the period		**RMB(75) cents**	RMB(60) cents
Diluted			
— For loss for the period		**RMB(75) cents**	RMB(60) 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
LOSS FOR THE PERIOD	**(2,588,042)**	(2,171,682)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	**507,669**	178,029
Share of exchange differences on translation of joint ventures	**136,521**	45,939
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**644,190**	223,968
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	**796,208**	322,114
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**796,208**	322,114
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**1,440,398**	546,082
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(1,147,644)**	(1,625,600)
Attributable to:		
Owners of the Company	**(1,115,293)**	(1,507,283)
Non-controlling interests	**(32,351)**	(118,317)
	(1,147,644)	(1,625,600)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at	
		30 June 2026	31 December 2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**8,884,462**	8,895,683
Investment properties		**21,499,500**	21,673,093
Land use rights		**3,178,201**	3,228,828
Interests in associates		**6,649,761**	6,821,286
Interests in joint ventures		**29,239,865**	30,853,287
Deferred tax assets		**2,031,241**	2,162,775
Total non-current assets		**71,483,030**	73,634,952
CURRENT ASSETS			
Properties under development		**43,314,381**	42,750,120
Completed properties held for sale		**14,495,625**	15,125,702
Trade receivables	10	**261,361**	246,729
Prepayments, other receivables and other assets		**13,571,520**	14,000,769
Due from a joint venture		**19,129**	19,129
Tax recoverables		**1,146,348**	1,152,269
Cash and bank balances	11	**719,299**	634,394
Total current assets		**73,527,663**	73,929,112
CURRENT LIABILITIES			
Trade and bills payables	12	**19,281,511**	19,188,197
Lease liabilities		**8,426**	9,140
Other payables and accruals		**24,639,662**	23,675,836
Due to joint ventures		**7,837,526**	7,861,285
Due to associates		**1,190,843**	1,316,824
Interest-bearing bank and other borrowings		**50,422,744**	53,047,057
Tax payables		**12,796,225**	13,640,945
Total current liabilities		**116,176,937**	118,739,284
NET CURRENT LIABILITIES		**(42,649,274)**	(44,810,172)
TOTAL ASSETS LESS CURRENT LIABILITIES		**28,833,756**	28,824,780

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Lease liabilities	**37,429**	40,045
Interest-bearing bank and other borrowings	**21,759,820**	20,560,153
Deferred tax liabilities	**1,536,226**	1,576,657
Deferred revenue	**2,042**	2,042
Total non-current liabilities	**23,335,517**	22,178,897
NET ASSETS	**5,498,239**	6,645,883
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**325,768**	325,768
Reserves	**259,256**	1,374,549
	585,024	1,700,317
Non-controlling interests	**4,913,215**	4,945,566
TOTAL EQUITY	**5,498,239**	6,645,883

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 27 August 2026.

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 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 2025, which have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("**HKFRSs**"), HKASs and Interpretations).

Going concern basis

For the six months ended 30 June 2026, the Group incurred a net loss of approximately RMB2,588,042,000, and as of that date, the Group had net current liabilities of approximately RMB42,649,274,000, the Group's bank and other borrowings of approximately RMB50,422,744,000 that were repayable within one year while its cash and bank balances amounted to approximately RMB719,299,000.

As at 30 June 2026, the aggregate principal amount and interest payables of the senior notes and bank and other borrowings in default or cross default are approximately RMB53,512,090,000.

In addition, a winding-up petition against the Company dated 11 August 2025 (the "**Petition**") was filed by Shandong Sunlight Xin Tiandi Micro-finance Company Limited at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") 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. The High Court has further adjourned the hearing for the Petition to 21 December 2026.

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) The Company is seeking legal advices to oppose the Petition to avoid winding-up order being granted by the High Court to wind up the Company. As aforementioned, the High Court has further adjourned the hearing for the Petition to 21 December 2026.

(ii) On 15 June 2026, the Company has entered into a restructuring support agreement (the "**RSA**") with certain initial participating creditors (the "**Initial Participating Creditors**"), comprising members of the ad hoc group ("**AHG**") representing over 26.1% of the aggregate outstanding principal amount of the in-scope debt comprising of the Company's offshore indebtedness of US$3,956 million senior notes, US$380 million syndicated bank loans and US$497 million certain other loan facilitates borrowed or guaranteed by the Company (collectively the "**In-Scope Debts**") that will be subject to the restructuring of its offshore indebtedness (the "**Restructuring**"). The RSA sets forth the terms of the Restructuring. The contemplated Restructuring is intended to (i) provide the Company with a long-term runway to stabilize the business; (ii) achieve a sustainable capital structure and enhance its net asset value; and (iii) protect the rights and interests, and maximize value, for all stakeholders. This is a significant milestone for the Company in its implementation of the Restructuring. The Company intends to implement the Restructuring through scheme of arrangement(s) in Hong Kong and/or Cayman Islands and to the extent that the Company and its advisers deem that it is necessary, through any other corporate action, legal proceedings or other procedure or step commenced for the primary purpose of implementing the Restructuring as agreed between the Company and the majority AHG.

(iii) 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.

(iv) The Group will closely monitor the progress of construction of its property development projects according to the delivery plans, maintain continuous communication with major contractors and suppliers, and negotiate payment arrangements to ensure construction progress is completed as planned.

(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 2026. 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 2026. 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) successfully avoid winding-up order to be granted by the High Court to wind up the Company;

(ii) the successful and timely completion of the restructuring of the offshore debts of the Group;

(iii) the effectiveness of the Group's measures to accelerate the pre-sale of properties, speed up the collection of sales proceeds, and control administrative costs and contain capital expenditures;

(iv) the successful disposal of en-bloc commercial properties, hotels, urban redevelopment projects and non-core property projects, and 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 interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

The adoption of the above new and amended HKFRS Accounting Standards has had no significant financial effect on the financial information and reference of the Group.

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue:		
Revenue from contracts with customers		
Sale of properties	**1,228,613**	3,072,560
Hotel operation income	**309,399**	313,640
Revenue from other sources		
Gross rental income	**343,122**	406,105
	1,881,134	3,792,305
Other income and gains, net:		
Interest income	**288**	1,536
Gains from debt restructuring	**116,601**	—
Others	**131,275**	28,153
	248,164	29,689

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 2026 as follows:

	Property development *RMB'000* **(Unaudited)**	**Hotel operation** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Type of revenue recognition:			
Sales of properties	**1,228,613**	**—**	**1,228,613**
Provision of services	**—**	**309,399**	**309,399**
Total revenue from contracts with customers	**1,228,613**	**309,399**	**1,538,012**
Timing of revenue recognition:			
Recognised at a point in time	**1,205,661**	**—**	**1,205,661**
Recognised over time	**22,952**	**309,399**	**332,351**
Total revenue from contracts with customers	**1,228,613**	**309,399**	**1,538,012**

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 segment results for the six months ended 30 June 2026 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	**1,228,613**	**343,122**	**309,399**	**1,881,134**
Segment results	**(2,129,852)**	**(134,434)**	**58,509**	**(2,205,777)**
Reconciliation:				
Interest income and unallocated income				**248,164**
Unallocated expenses				**(379,390)**
Finance costs				**(991,072)**
Loss before tax				**(3,328,075)**
Income tax credits				**740,033**
Loss for the period				**(2,588,042)**

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)

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	**2,225,304**	2,543,808
Interest on lease liabilities	**428**	1,538
Less: Interest capitalised	**(1,234,660)**	(1,537,224)
	991,072	1,008,122

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of properties sold	**1,408,546**	3,504,344
Cost of services provided	**177,094**	194,485
Depreciation	**129,127**	137,803
Amortisation of land use rights	**50,627**	49,257
Less: Amount capitalised in assets under construction	**(31,255)**	(30,058)
	19,372	19,199
Loss/(gain) on disposal of items of property, plant and equipment	**20,753**	(6)
Employee benefit expense (excluding Directors' and chief executive's remuneration):		
Wages and salaries	**163,096**	134,504
Pension scheme contributions (defined benefit plans)	**12,256**	13,547
	175,352	148,051
Less: Amount capitalised in assets under construction, properties under development and investment properties under development	**(8,635)**	(16,617)
	166,717	131,434
Impairment losses recognised for properties under development and completed properties held for sales*	**117,318**	255,105

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

7. INCOME TAX CREDITS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current – in the People's Republic of China ("**PRC**")		
Corporate income tax ("**CIT**")	**(817,635)**	(995,472)
Land appreciation tax ("**LAT**")	**(13,501)**	24,208
	(831,136)	(971,264)
Deferred	**91,103**	(18,804)
Total tax credits for the period	**(740,033)**	(990,068)

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 2026 and 2025.

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 2026 and 2025, 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 2026 (2025: 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 2026 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 (2025: 3,418,883,945) in issue during the period.

For the six months ended 30 June 2026, 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 (2025: 3,418,883,945).

Diluted loss per share amount for the period ended 30 June 2026 and 2025 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	**(2,555,691)**	(2,053,365)

	Number of shares	
	Six months ended 30 June	
	2026	2025
	(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
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 3 months	**135,481**	132,489
7 to 12 months	**21,717**	78,519
Over 1 year	**104,163**	35,721
	261,361	246,729

11. CASH AND BANK BALANCES

	As at **30 June 2026** ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Cash and bank balances	**719,299**	634,394
Less: Restricted cash	**(418,997)**	(448,253)
Cash and cash equivalents	**300,302**	186,141

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 2026** ***RMB'000*** **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 1 year	**14,330,849**	15,618,592
Over 1 year	**4,950,662**	3,569,605
	19,281,511	19,188,197

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 RMB1,881.1 million in the first half of 2026, representing a decrease of 50.4% from approximately RMB3,792.3 million for the corresponding period in 2025.

The revenue generated from property development, property investment and hotel operation were approximately RMB1,228.6 million, RMB343.1 million and RMB309.4 million, respectively, during the six months ended 30 June 2026.

Proportionate revenue amounted to approximately RMB3,229.7 million in the first half of 2026, representing a decrease of 42.7% from approximately RMB5,641.4 million for the corresponding period in 2025.

Property development

Revenue generated from property development decreased by 60.0% to approximately RMB1,228.6 million for the six months ended 30 June 2026 from approximately RMB3,072.6 million for the corresponding period in 2025, primarily due to a decrease in the total gross floor area ("**GFA**") delivered from 348,103 sq.m. for the corresponding period in 2025 to 145,308 sq.m. in the first half of 2026.

The average selling price ("**ASP**") decreased from RMB8,827 per sq.m. for the corresponding period in 2025 to RMB8,455 per sq.m. for the six months ended 30 June 2026.

Proportionate revenue generated from property development decreased by 54.0% to approximately RMB2,179.2 million for the six months ended 30 June 2026 from approximately RMB4,741.4 million for the corresponding period in 2025, primarily due to the decrease in the total GFA delivered to 185,123 sq.m. for the six months ended 30 June 2026 from 470,133 sq.m. for the corresponding period in 2025. The proportionate ASP increased from RMB10,085 per sq.m. for the corresponding period in 2025 to RMB11,771 per sq.m. for the six months ended 30 June 2026.

Property investment

Revenue generated from property investment decreased by 15.5% to approximately RMB343.1 million for the six months ended 30 June 2026 from approximately RMB406.1 million for the corresponding period in 2025, primarily due to the decrease in volume of rental business.

Hotel operation

Revenue generated from hotel operation decreased by 1.4% to approximately RMB309.4 million for the six months ended 30 June 2026 from approximately RMB313.6 million for the corresponding period in 2025.

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 57.1% to approximately RMB1,585.6 million for the six months ended 30 June 2026 from approximately RMB3,698.8 million for the corresponding period in 2025. The decrease was primarily due to the decrease in total GFA delivered in sales of properties.

Land cost per sq.m. decreased from RMB3,689 for the corresponding period in 2025 to RMB2,884 for the six months ended 30 June 2026.

Construction cost per sq.m. increased from RMB4,420 for the corresponding period in 2025 to RMB4,848 for the six months ended 30 June 2026.

Proportionate cost of sales amounted to approximately RMB3,040.6 million in the fist half of 2026, representing a decrease of 49.1% from approximately RMB5,973.2 million for the corresponding period in 2025. Proportionate land cost per sq.m. increased from RMB4,942 in the corresponding period in 2025 to RMB5,384 in the first half of 2026. Proportionate construction cost per sq.m. increased from RMB5,410 in the corresponding period in 2025 to RMB5,754 in the first half of 2026.

Gross Profit

Gross profit of the Group increased by 216.1% to approximately RMB295.5 million for the six months ended 30 June 2026 from approximately RMB93.5 million for the corresponding period in 2025. The increase of gross profit was principally due to the higher contribution from the segments of property investment and hotel operation, with a higher-margin in the first half of 2026.

Other Income and Gains, Net

Other income and gains increased by 735.9% to approximately RMB248.2 million for the six months ended 30 June 2026 from approximately RMB29.7 million for the corresponding period in 2025, which mainly due to the proceeds from the restructuring of domestic bonds.

Selling and Marketing Expenses

Selling and marketing expenses of the Group decreased by 37.8% to approximately RMB212.7 million for the six months ended 30 June 2026 from approximately RMB342.0 million for the corresponding period in 2025, which mainly due to the decrease in sales leading to a reduction in related expenses.

Administrative Expenses

Administrative expenses of the Group decreased by 29.9% to approximately RMB450.0 million for the six months ended 30 June 2026 from approximately RMB642.2 million for the corresponding period in 2025. 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 RMB378.9 million for the six months ended 30 June 2026 (2025: approximately RMB255.1 million). This was attributable to impairment losses made on properties developed by the Group and exchange loss.

Fair Value Losses on Investment Properties, Net

The Group reported fair value losses on investment properties of approximately RMB373.9 million for the six months ended 30 June 2026 (2025: approximately RMB122.0 million), mainly related to a revaluation losses during the period.

Finance Costs

Finance costs of the Group being approximately RMB991.1 million for the six months ended 30 June 2026 (2025: approximately RMB1,008.1 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 RMB1,425.0 million for the six months ended 30 June 2026 (2025: approximately RMB873.7 million). This is mainly attributable to the increase in bad debt provisions for some joint ventures in the current period.

Income Tax Credits

The Group recorded income tax credits of approximately RMB740.0 million in the first half of 2026, whereas income tax credits of approximately RMB990.1 million was recorded in the corresponding period of 2025. 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 RMB2,588.0 million for the six months ended 30 June 2026 (2025: approximately RMB2,171.7 million).

Liquidity, Financial and Capital Resources

Cash Position

As at 30 June 2026, the carrying amounts of the Group's cash and bank balances were approximately RMB719.3 million (31 December 2025: approximately RMB634.4 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 2026, the Group's restricted cash was approximately RMB419.0 million (31 December 2025: approximately RMB448.3 million).

Borrowings and Charges on the Group's Assets

As at 30 June 2026, the Group's bank and other loans, senior notes and domestic corporate bonds were approximately RMB40,447.1 million, RMB26,596.4 million and RMB5,139.0 million respectively. Amongst the bank and other loans, approximately RMB23,826.3 million will be repayable within 1 year, approximately RMB10,481.6 million will be repayable between 2 and 5 years and approximately RMB6,139.2 million will be repayable over 5 years. All of the senior notes have been represented as current liabilities. Amongst the domestic corporate bonds, approximately RMB814.2 million will be repayable between 2 and 5 years and approximately RMB4,324.8 million will be repayable over 5 years.

As at 30 June 2026, the Group's bank and other loans of approximately RMB40,039.2 million and domestic corporate bonds of approximately RMB5,139.0 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 RMB1,741.0 million and RMB1,095.2 million as at 30 June 2026 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 RMB9,538.9 million which were charged at fixed interest rates as at 30 June 2026. 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 2026.

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 2026, the gearing ratio was 1,299.7% (31 December 2025: 1,098.0%).

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 2026, 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 2026, the Group had the contingent liabilities relating to guarantees given to banks in respect of mortgage facilities for certain purchasers amounting to approximately RMB7,719.6 million (31 December 2025: approximately RMB8,471.2 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 2026 and the financial statements as at 31 December 2025 for the guarantees.

(ii) As at 30 June 2026 and 31 December 2025, the Group had provided guarantees in respect of certain bank loans for its joint ventures, associates, third parties and related companies.

MANAGEMENT DISCUSSION AND ANALYSIS

Market Review

In the first half of 2026, Mainland China's property market continued its process of bottoming out and recovery, exhibiting an overall pattern characterized by a moderating contraction in aggregate volume, intensifying K-shaped divergence and stabilization in certain markets. The market gradually transitioned from a policy-driven floor towards an endogenous recovery. However, the national market as a whole remained under pressure, with pronounced divergence across different cities, property developers and product tiers.

According to data from the National Bureau of Statistics, from January to June 2026, the nationwide property development investment amounted to RMB3,807.4 billion, representing a year-on-year decrease of 18.0%. The sales area of commodity properties reached 401.40 million sq.m., down 11.6% year-on-year, whilst the sales execution of commodity properties decreased by 13.6% year-on-year to RMB3,794.5 billion in aggregate. Compared with the first half of 2025, the rates of decline in both investment and sales expanded, reflecting that the foundation for market recovery remained fragile, home buyers maintained a wait-and-see attitude and home-buying confidence was insufficient. Available funds for property development enterprises decreased by 20.2% year-on-year to RMB4,023.3 billion, with the rate of decline expanding by 6.8% compared with the corresponding period last year, primarily reflected in the financing difficulties and stringent approval procedures faced by privately owned property developers.

From the perspective of city category, core cities were the first to show resilience in 2026. In the first half of 2026, the cumulative area of secondary residential property transactions across 20 key national cities increased by approximately 5.6% year-on-year, with transaction area in Beijing, Shanghai and Shenzhen all recording year-on-year growth. Average sales prices of secondary residential properties in first-tier cities ceased falling and turned upward on a month-on-month basis starting from March 2026, moving in tandem with transaction volume. However, many lower-tier cities continued to face pressure from insufficient demand and elevated inventory levels. Divergence in land market transactions intensified, with land transactions in weak tier-2, tier-3 and tier-4 cities remaining persistently weak. Overall, the real estate market maintained an adjustment trend, with sales strategies of price concessions to drive volume being common among property enterprises, and it is expected that market prices required more time to recover.

Business Review

Amidst industry volatility, KWG Group faced numerous difficulties yet consistently confronted sector challenges with a proactive stance. The Group steadily advanced its operations in accordance with the three core tasks of "ensuring property, boosting sales and resolving debts", making every effort to safeguard the delivery of sold projects, expanding sales channels to promote fund recovery, continuously advancing the implementation of onshore and offshore debt restructurings, and striving to maintain the stability of daily operations.

In the first half of 2026, the Group had a total of 138 major projects (excluding residual projects), spanning 42 cities in Chinese Mainland and Hong Kong. The Group recorded property sales revenue of RMB1.229 billion and gross pre-sale of RMB2.050 billion in the first half of the year, with a pre-sales area of 91,000 sq.m. at an average pre-selling price of RMB22,527 per sq.m. As the Group's core business region, the Guangdong-Hong Kong-Macao Greater Bay Area continued to play a stabilizing role to its results, contributing approximately 80% of the total. The Group's land reserve, in terms of attributable gross floor area, was 10,990,000 sq.m., with an attributable interest ratio of approximately 76%, mainly distributed in high-tier cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, Chengdu, Tianjin and Foshan.

From January to June 2026, the Group continued to implement work arrangements to secure property delivery, making every effort to fulfil its delivery commitments. Despite the severe market environment, the Group still managed to deliver approximately 1,490 houses with a delivery area of approximately 260,000 sq.m., honoring its delivery commitments through concrete actions.

Investment Properties and Hotels

KWG Group has maintained a long-standing presence in the commercial sector for many years, consistently serving customers with high-quality operations and providing comprehensive investment property portfolio services spanning shopping malls, office buildings and hotels. As of the end of June 2026, the Group had 11 shopping malls under operation, 9 office buildings, 14 self-operated branded hotels under development and management, and 4 cooperative hotels with foreign brands.

From January to June 2026, the Group's rental income amounted to RMB343 million, representing a decrease from the corresponding period last year. At present, the consumer market is recovering at a moderate pace, and the commercial property sector as a whole faces a situation where supply exceeds demand, putting pressure on the willingness to lease and payment capacity of micro, small and medium-sized enterprises. In response to this situation, the Group continues to optimize its tenant mix, upgrade and revitalize aging physical facilities, and improve overall operational and service standards, striving to safeguard its core operations.

In terms of hotel business, revenue for the period from January to June 2026 amounted to RMB309 million, remaining basically the same year-on-year and maintaining stable operations amid a subdued consumer market. Benefiting from the Group's long-accumulated hotel management experience and stable cooperation with international hotel brands, the market recognition of its own brand, The Mulian, continued to grow. Together with partner hotels, it maintained relatively stable occupancy rates despite weak business travel demand, displaying revenue resilience. The Group will continue to promote the expansion of The Mulian hotel brand across key cities while refining the management standards of existing hotels to further unleash the operational potential of its hotel business.

Outlook

In the second half of 2026, the Chinese real estate market will remain in a phase where bottoming-out adjustment and structural reshaping proceed in parallel. Although aggregate indicators such as development investment and new property sales are unlikely to reverse in the short term, secondary property transactions in core cities remain active, new property supply is contracting in an orderly manner, and property purchase policies across major key cities are being further optimized, with the market building recovery momentum at the bottom. It is expected that subsequent policies will continue to focus on the three main directions of "stabilizing expectations, managing risks and promoting transformation". Through a combination of measures, such as purchasing commodity properties for use as affordable housing, optimizing purchase and lending restrictions, and reducing property purchasing costs, policies will support the orderly release of demand for basic and upgraded housing, guiding the industry to gradually depart from the old development model of high leverage and high turnover towards high-quality and endogenous growth.

Against this backdrop, KWG Group will build upon its existing resources and focus on steadily advancing three core tasks. First, it will concentrate resources to accelerate sales de-stocking for high-quality projects in the Greater Bay Area and core cities, while executing quality assets disposal to maximize cash recovery and safeguard operational solvency. Second, it will adhere strictly to its baseline commitment to project delivery, honoring commitments to customers through high-quality and timely deliveries, and maintaining brand reputation and market confidence through the continuous execution of benchmark projects. Third, it will firmly advance the implementation of debt restructuring; following the interim progress achieved in onshore and offshore restructurings, the Group will continue active communication with creditors, striving to complete the restructuring as soon as possible to create conditions for the Group's future high-quality transformation.

The Group will consistently adhere to the brand philosophy of "building home with heart, creating future with aspiration", deepening its presence in core cities from a long-term perspective, and continuously creating long-term value for customers, partners and investors.

The Group's Property Development Overview

As of 30 June 2026, 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	747	100
2	International Metropolitan Plaza	Guangzhou	Office/commercial	39	50
3	KWG Flourishing Biotech Square	Guangzhou	Office/commercial	84	100
4	KWG Skysite	Guangzhou	Villa/serviced apartment/office/commercial/hotel	295	100
5	The Eden	Guangzhou	Residential/commercial	2	50
6	Paradise by Moony Sky	Guangzhou	Villa/hotel	37	100
7	Essence of City	Guangzhou	Residential/villa/commercial	13	100
8	International Commerce Place	Guangzhou	Office/commercial	50	50
9	CFC (including Mayfair and IFE (International Finance Edifice))	Guangzhou	Serviced apartment/office/commercial	4	33.33
10	The Horizon	Guangzhou	Residential/villa/serviced apartment/office/commercial/hotel	14	50
11	Blooming River	Guangzhou	Residential/villa/commercial	38	50
12	Nansha River Paradise	Guangzhou	Residential/commercial	4	50
13	V-city	Guangzhou	Serviced apartment/commercial	117	70
14	Montkam	Guangzhou	Residential/villa	3	30
15	The Beryl (Guangzhou Development Area Hotel A Project)	Guangzhou	Villa/serviced apartment/commercial/hotel	10	60
16	The Beryl (Guangzhou Development Area Hotel B Project)	Guangzhou	Villa/serviced apartment/office/commercial	21	100
17	Landmark Arte Masterpiece	Guangzhou	Residential/serviced apartment/commercial	88	100
18	Clover Shades	Guangzhou	Residential/commercial	11	62.5
19	The Emerald	Guangzhou	Residential	50	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
20	KWG Biovalley	Guangzhou	Villa/serviced apartment/ office/commercial	192	80
21	Longyatt Mansion	Guangzhou	Residential/commercial	60	100
22	Dreams Garden	Guangzhou	Residential/commercial	238	100
23	Lakeside Mansion	Guangzhou	Residential/commercial	291	100
24	Richmond Greenville	Guangzhou	Residential	63	100
25	Guangzhou Nansha Project	Guangzhou	Educational	89	60
26	The Star Garden	Guangzhou	Residential/commercial	222	100
27	ONE68	Guangzhou	Serviced apartment/office/ commercial/hotel	69	100
28	IFP	Guangzhou	Office/commercial	61	100
29	Four Points by Sheraton Guangzhou, Dongpu	Guangzhou	Hotel	35	100
30	The Mulian Huadu	Guangzhou	Hotel	25	100
31	W Hotel/W Serviced Apartments	Guangzhou	Hotel/serviced apartment	80	100
32	The Mulian Guangzhou	Guangzhou	Hotel	8	100
33	The Sapphire	Suzhou	Residential/serviced apartment/office/ commercial/hotel	37	100
34	Suzhou Apex	Suzhou	Residential/serviced apartment/commercial/ hotel	126	100
35	Leader Plaza	Suzhou	Serviced apartment/office/ commercial	21	100
36	Fortune Plaza	Suzhou	Office/commercial/hotel	18	100
37	Suzhou Jade Garden	Suzhou	Residential/commercial	2	100
38	Swan Harbor Park	Suzhou	Residential/serviced apartment/office/ commercial/hotel	87	50
39	Blessedness Seasons	Suzhou	Residential/commercial	2	49
40	The Vision of the World	Chengdu	Residential/serviced apartment/commercial	37	100
41	Chengdu Cosmos	Chengdu	Residential/serviced apartment/office/ commercial/hotel	225	100
42	Yunshang Retreat	Chengdu	Residential/villa/serviced apartment/commercial/ hotel	563	55
43	The Jadeite	Chengdu	Residential/villa/ commercial/hotel	22	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
44	Fragrant Seasons	Beijing	Residential/villa/serviced apartment/commercial	1	100
45	La Villa	Beijing	Residential/villa/ commercial	1	50
46	Beijing Apex	Beijing	Residential/villa/serviced apartment/commercial	2	50
47	M • Cube	Beijing	Commercial	16	100
48	Uptown Riverside I	Beijing	Serviced apartment/office/ commercial	126	100
49	Uptown Riverside II	Beijing	Serviced apartment/office/ commercial	48	100
50	Rose and Ginkgo Mansion	Beijing	Residential/villa/office/ commercial	24	33
51	The Core of Center (Beijing Niulanshan Complex Project)	Beijing	Residential/villa/ commercial/hotel	168	100
52	New Chang'an Mansion	Beijing	Residential/office/ commercial/hotel	30	100
53	Pearl Coast	Hainan	Residential/villa/ commercial/hotel	80	100
54	Moon Bay	Hainan	Residential/villa/ commercial/hotel	325	100
55	The Cloud World	Hainan	Villa/commercial	76	100
56	International Metropolis Plaza	Shanghai	Office/commercial	39	100
57	Shanghai Sapphire	Shanghai	Residential/serviced apartment/commercial	43	85.3
58	Amazing Bay	Shanghai	Residential/serviced apartment/office/ commercial/hotel	24	50
59	Vision of the World	Shanghai	Residential/serviced apartment/commercial/ hotel	57	51
60	Glory Palace	Shanghai	Residential	3	100
61	KWG Biovalley	Shanghai	Office/commercial	121	90
62	Jinnan New Town	Tianjin	Residential/office/ commercial/hotel	187	25
63	Tianjin The Cosmos	Tianjin	Residential/villa/ commercial	173	100
64	Tianjin Apex	Tianjin	Residential/office/ commercial	32	100
65	Beautiful and Happy Life	Tianjin	Residential/commercial	4	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
66	Joy Fun City	Tianjin	Residential/commercial	159	60
67	The Core of Center	Nanning	Residential/villa/serviced apartment/commercial/ hotel	240	100
68	International Finance Place	Nanning	Office/commercial	57	100
69	Top of World	Nanning	Residential/villa/serviced apartment/commercial/ hotel	78	100
70	Fragrant Season	Nanning	Residential/villa/ commercial	8	100
71	Impression Discovery Bay I	Nanning	Residential/commercial	1	34
72	Impression Discovery Bay II	Nanning	Residential/commercial	3	34
73	Emerald City	Nanning	Residential/serviced apartment/commercial	228	100
74	The Moon Mansion	Hangzhou	Residential/villa	3	100
75	Sky Ville	Hangzhou	Residential/villa	1	100
76	Puli Oriental	Hangzhou	Residential/commercial	8	50
77	Malus Moon	Hangzhou	Residential/villa/ commercial	4	100
78	Precious Mansion	Hangzhou	Residential/office/ commercial	28	100
79	Season Mix	Hangzhou	Residential/commercial/ hotel	14	25
80	South Bank Palace	Nanjing	Residential/commercial	1	19.75
81	Ruyi Palace	Nanjing	Residential/commercial	1	50
82	Oriental Bund	Foshan	Residential/villa/serviced apartment/commercial/ hotel	815	50
83	The Riviera	Foshan	Residential/commercial	10	100
84	Foshan Apex	Foshan	Residential/serviced apartment/commercial	6	50
85	China Image	Foshan	Residential/commercial	3	34
86	The One	Hefei	Residential/commercial	11	100
87	Park Mansion	Hefei	Residential	4	100
88	The Buttonwood Season I	Ezhou	Residential/villa/ commercial	9	100
89	The Buttonwood Season II	Ezhou	Residential/villa/ commercial	131	100
90	Exquisite Bay	Xuzhou	Residential/commercial	6	100
91	Fragrant Seasons	Xuzhou	Residential/commercial	11	50

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
92	Majestic Mansion	Jiaxing	Residential/commercial	3	100
93	Noble Peak	Jiaxing	Residential	2	100
94	International Commercial Plaza	Jiaxing	Residential/serviced apartment/office/ commercial/hotel	289	100
95	Top of World Residence I	Taizhou	Residential	1	100
96	Top of World Residence II	Taizhou	Residential/commercial	4	100
97	Linhai Mansion	Taizhou	Residential/commercial	2	100
98	Lead Peak Mansion	Taizhou	Residential/commercial	1	100
99	Emerald the Bay	Taizhou	Residential/serviced apartment/office/ commercial	255	50
100	Jinan Tianchen	Jinan	Residential/commercial	1	20
101	The Inherited Villa	Changshu	Residential	1	25
102	The Riviera Chongqing	Chongqing	Residential/commercial/ hotel	9	100
103	The Cosmos Chongqing	Chongqing	Residential/serviced apartment/office/ commercial/hotel	213	100
104	The Moon Mansion	Chongqing	Residential/commercial	1	39
105	Mansion of Jasper	Chongqing	Residential/commercial	1	50
106	Jade Moon Villa	Chongqing	Residential/commercial	1	50
107	Jinzhu Tianyi Huayuan	Taicang	Residential	13	100
108	Exquisite Palace	Wuxi	Residential/commercial	1	45
109	Vision of the World	Zhaoqing	Residential/commercial	69	100
110	River View Mansion	Zhaoqing	Residential/commercial	1	33
111	The Moon Mansion	Zhongshan	Residential/commercial	31	50
112	Serenity in Prosperity	Nantong	Residential/villa/ commercial	4	51
113	Oriental Beauty	Nantong	Residential	1	70
114	The Moon Mansion	Liuzhou	Residential/villa/ commercial	4	100
115	Fortunes Season	Liuzhou	Residential/commercial/ hotel/educational	757	100
116	Shenzhen Bantian Project	Shenzhen	Serviced apartment/office/ commercial/hotel	61	100
117	Grand Oasis	Shenzhen	Serviced apartment/office/ commercial/hotel	6	55

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest (’000 sq.m.)	Interest Attributable to the Group (%)
118	Shenzhen Longhua Project	Shenzhen	Residential/office/ commercial/industrial/ educational	79	50
119	Skyline Seasons	Huizhou	Residential/commercial	196	100
120	Huizhou Longmen Project-Educational#[2019]011	Huizhou	Educational	11	100
121	Huizhou Longmen Project-Educational#[2019]014	Huizhou	Educational	61	100
122	Jiangmen Apex International	Jiangmen	Residential/serviced apartment/commercial	28	100
123	Cullinan Mansion	Wenzhou	Residential/commercial	2	100
124	Art Wonderland	Dongguan	Residential/commercial	1	12.5
125	Center Mansion	Dongguan	Residential/villa/ commercial	1	20
126	Yangzhou Apex	Yangzhou	Residential/commercial	81	100
127	Parkview Palace	Ningbo	Residential	2	49
128	Meishan Apex	Meishan	Residential/commercial	1	100
129	River State	Meishan	Residential/commercial	31	34
130	Chenzhou Wangxian Eco-tourism Project	Chenzhou	Residential/villa	61	50
131	KWG Tusholdings Ice Snow	Wuzhou	Residential/commercial	209	100
132	Meet	Xi’an	Serviced apartment/ commercial/hotel	2	100
133	Salar de Uyuni	Zhaotong	Residential/commercial/ hotel	74	67.11
134	Salar de Uyuni Guan Lake [Phase 2 — #17–28]	Zhaotong	Residential/Commercial	87	70.56
135	Salar de Uyuni Guan Lake [Phase 1 — #17–29]	Zhaotong	Residential/Commercial	112	70.56
136	KWG Haya City	Yancheng	Residential/serviced apartment/commercial/ hotel	487	100
137	Phoenix International	Fuzhou	Serviced apartment/office/ commercial	47	22.4
138	The Corniche (formerly known as Hong Kong Ap Lei Chau Project)	Hong Kong	Residential	26	50

Employees and Emolument Policies

As at 30 June 2026, the Group employed a total of approximately 1,600 employees. The total staff costs incurred were approximately RMB175.4 million during the six months ended 30 June 2026. 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 2026 (2025: 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 six months ended 30 June 2026, 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 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 3 June 2026, 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.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct regarding Directors' securities transactions. In response to specific enquiry made by the Company, all Directors have confirmed that they have complied with the Model Code during the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2026. As at 30 June 2026, the Company did not hold any treasury shares.

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 2026. 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 2026 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).

(2) SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2025

With regard to the related party transactions entered into by the Group during the year ended 31 December 2025 as disclosed in note 40 of the Notes to the Consolidated Financial Statements in the Annual Report, apart from items (c) and (d) which constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules, the remaining items disclosed in note 40 do not constitute a connected transaction under Chapter 14A of the Listing Rules.

The Company further confirms that it has complied with the requirements in Chapter 14A of the Listing Rules.

(3) CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The board of directors of the Company announces that the principal place of business of the Company in Hong Kong will be changed to Room 3502, 35/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong with effect from 27 August 2026. The fax number, email address and website address of the Company will remain unchanged.

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

Hong Kong, 27 August 2026

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.