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KWG GROUP HOLDINGS LIMITED

合景泰富集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**(Stock Code: 1813 and Debt Stock Codes: 5008, 5607,
5811, 40117, 40338, 40465 and 40683)**

UPDATE ON OFFSHORE DEBT RESTRUCTURING APPOINTMENT OF FINANCIAL ADVISOR

This announcement is made by KWG Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) on a voluntary basis.

References are made to the announcements of the Company dated 14 May 2023 and 15 May 2023 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

APPOINTMENT OF FINANCIAL ADVISOR

As disclosed in the announcement of the Company dated 14 May 2023, an event of default under the terms of various debt securities of the Company has occurred. In light of the existing challenges faced by the Group, the details of which are disclosed in the announcement of the Company dated 14 May 2023, the Group has concluded that it should immediately explore a holistic solution (the “**Holistic Solution**”) to the current offshore debts situation to secure the sustainable operations of the Group for the benefit of all of its stakeholders.

Accordingly, as a first step in promoting the Holistic Solution, the Company has appointed Alvarez & Marsal Corporate Finance Limited (“**Alvarez & Marsal**”) to assess the Group’s capital structure, evaluate the liquidity of the Group and explore all feasible solutions to ease the current liquidity issue and reach an optimal Holistic Solution for all the stakeholders as soon as possible.

The Company will maintain active communications with creditors and will uphold the principles of equitability and fairness in the seeking of the Holistic Solution. The Company will update the market as soon as practicable on any material developments.

Offshore creditors of the Company may contact representatives of the financial advisor of the Company (whose contact details are as follows) in respect of the progress of the Holistic Solution:

Alvarez & Marsal Corporate Finance Limited

Address: Room 405–7, 4/F, St. George’s Building, 2 Ice House Street, Central,
Hong Kong

Telephone: + 852 3102 2600

Email: ProjectReborn@alvarezandmarsal.com

The Company looks forward to engaging and working with the offshore creditors and calls for their patience, understanding and support in quest for a holistic solution for the offshore debts as a whole with the Company mutually to address the industry-wide issue together.

The implementation of any holistic solution to the offshore debt issue will be subject to many factors beyond the control of the Company. As there is no assurance that any holistic solution will be successfully implemented, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time; and (ii) reminded to consider the related risks and exercise caution when dealing in the securities of the Company. When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

CONTINUED SUSPENSION OF SENIOR NOTES

As disclosed in the announcement of the Company dated 15 May 2023, at the request of the Company, trading of each of the September 2023 Notes, the March 2024 Notes, the November 2024 Notes, the August 2025 Notes, the February 2026 Notes, the August 2026 Notes and the January 2027 Notes on the Stock Exchange have been suspended with effect from 9:00 a.m. on 16 May 2023 and will remain suspended until further notice.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company, and to seek professional advice from their own professional or financial advisers when in doubt.

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

Hong Kong, 6 July 2023

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. LEE Ka Sze, Carmelo, Mr. TAM Chun Fai and Mr. LAW Yiu Wing, Patrick are independent non-executive Directors.