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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)

MAJOR TRANSACTION

DISPOSAL OF 50% EQUITY INTEREST IN SUZHOU JINYU AND 51% EQUITY INTEREST IN SUZHOU ZHUOYU

THE DISPOSAL

On 15 August 2023, Vendor 1, Vendor 2, the Purchaser, Target Company 1, Target Company 2, Guangzhou Hejing and Hangzhou Greentown entered into the Agreement pursuant to which, (i) Vendor 1 has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, Sale Equity 1 at the consideration of RMB517,351,696.11; and (ii) Vendor 2 has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, Sale Equity 2 at the consideration of RMB378,000,000.38.

LISTING RULES IMPLICATIONS

Target Company 1 is not a subsidiary of the Company and its financial statements are not consolidated into the Company's financial statements; while Target Company 2 is a subsidiary of the Company and its financial statements are consolidated into the Company's financial statements.

As at the date of this announcement, the Purchaser holds 49% equity interest in Target Company 2, a subsidiary of the Company, and save for which, the Purchaser is not a substantial shareholder of any other subsidiaries of the Company. As the total assets, profits and revenue of Target Company 2 compared to that of the Group are less than 5% under the percentage ratios for the year ended 31 December 2022, Target Company 2 is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, the Purchaser is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules. Accordingly, the Disposal does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all of which are less than 25%, the Disposal, on a standalone basis, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. However, the Disposal, together with the Hangzhou Disposal, constitute a series of transactions made by the Company within a 12-month period with the same parties and shall be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal and the Hangzhou Disposal, on an aggregated basis, is more than 25% but all of which are less than 75%, each of the Disposal and the Hangzhou Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting at a general meeting of the Company approving the Disposal if the Company were to convene such a general meeting.

Mr. KONG Jianmin, Mr. KONG Jiantao, Mr. KONG Jiannan, together with their associates, are entitled to exercise voting rights in respect of 1,995,892,839 Shares (representing approximately 58.38% of the issued share capital of the Company). Accordingly, the Company proposes to obtain a written shareholder's approval certificate from Mr. KONG Jianmin, Mr. KONG Jiantao, Mr. KONG Jiannan (being a closely allied group of Shareholders who are parties acting in concert among themselves within the meaning of the Takeovers Code) to approve the Disposal pursuant to Rule 14.44 of the Listing Rules and no extraordinary general meeting will be convened and held by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Agreement and the Disposal; (ii) financial information of the Group; (iii) valuation reports in relation to the Lunar River Project and Moonlit River Project; and (iv) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 5 September 2023.

As the Disposal is subject to the satisfaction and/or waiver, where applicable, of the Conditions, the Disposal may or may not proceed to completion. Shareholders and potential investors should exercise caution when dealing in the shares or any securities of the Company.

THE DISPOSAL

On 15 August 2023, the Vendors, the Purchaser, the Target Companies, Guangzhou Hejing and Hangzhou Greentown entered into the Agreement in respect of the Disposal. The salient terms of the Agreement are summarised below:

THE AGREEMENT

Date: 15 August 2023

Parties:

- (i) Vendor 1;
- (ii) Vendor 2;
- (iii) the Purchaser;
- (iv) Target Company 1;
- (v) Target Company 2;
- (vi) Guangzhou Hejing; and
- (vii) Hangzhou Greentown

The Purchaser is a substantial shareholder of an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. As such, the Purchaser is not a connected person of the Company under the Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

Subject matter

Pursuant to the terms and conditions of the Agreement, (i) Vendor 1 has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, Sale Equity 1 at the consideration of RMB517,351,696.11; and (ii) Vendor 2 has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, Sale Equity 2 at the consideration of RMB378,000,000.38.

Consideration

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser having taken into account factors including the net asset value, total credits and debts of, and properties selling and destocking rate achieved by, the Target Companies as at 30 June 2023.

As at 30 June 2023, the outstanding Loan 1 owed by Vendor 1 to Target Company 1 amounted to RMB271,309,291.11 and the outstanding Loan 2 owed by Vendor 2 to Target Company 2 amounted to RMB431,922,405.38. In view of the outstanding Loan 1 and Loan 2, the parties have agreed to settle the Consideration with Loan 1 and Loan 2 in the following manner:

- (i) Consideration 1 shall be set off against the full amount of Loan 1 of RMB271,309,291.11 of, and partial amount of Loan 2 of RMB53,922,405. Upon such set off, the balance of Consideration 1 shall become RMB192,120,000 (the "**Balance of Consideration 1**"); and
- (ii) Consideration 2 shall be fully set off against the remaining outstanding Loan 2 of RMB378,000,000.38.

In addition, the Vendors, being wholly-owned subsidiaries of Guangzhou Hejing, have also agreed to use part of the Consideration to settle loans in the amount of RMB36,000,000 owed by Guangzhou Hejing to Hangzhou Greentown (the "**Greentown Loan**"), as detailed below.

Accordingly, the Balance of Consideration 1 shall be settled in the following manner:

- (i) **First Instalment:** On the Completion Date,
 - (a) the full amount of the Secured Loan shall be set off against the Balance of Consideration 1;
 - (b) Vendor 1 shall instruct the Purchaser to pay RMB36,000,000 out of the Balance of Consideration 1 to the designated bank account of Hangzhou Greentown as full settlement of the Greentown Loan; and
 - (c) the Purchaser shall pay RMB8,000,000 to the designated bank account of Vendor 1.
- (ii) **Second Instalment:** Within 3 working days after the completion of the Transfer (defined below), the Purchaser shall pay the remaining balance of the Balance of Consideration 1 after deducting the First Instalment as described in (i) above and the Deposit as described in (iii) below.

- (iii) **Deposit:** Out of the Balance of Consideration 1, RMB28,597,125.89 shall be treated as the Deposit to secure the performance of the Obligations (defined below) by the Vendors and their associates. Among which, RMB21,314,959 (“**Deposit 1**”) shall be treated as deposit to secure the performance of Obligation 1, RMB5,000,000 (“**Deposit 2**”) shall be treated as deposit to secure the performance of Obligation 2, and RMB2,282,166.89 (“**Deposit 3**”) shall be treated as deposit to secure the performance of Obligation 3 (each of Obligation 1, Obligation 2 and Obligation 3 is defined below).

Transfer

Within 5 working days from the settlement of the First Instalment, the Pledge shall be released. Within 5 working days from the release of the Pledge, the registration procedures for the transfer of the Sale Equity 1 and the Sale Equity 2 shall be completed (the “**Transfer**”).

Obligations of the parties

After the Transfer, the Purchaser, the Vendors, Guangzhou Hejing and their respective associates shall cooperate and assist the Target Companies to complete the following:

- (i) prior to the entering into of the Agreement, the Vendors have pledged 6 commercial properties of the Moonlit River Project and the Lunar River Project (the “**Properties**”, and each a “**Property**”) with carrying value of RMB21,314,959 as security for certain loans of the Vendors or its associates. Within 6 months after the signing of the Agreement, the Vendors shall cause the aforesaid pledge to be released and assist the Target Companies to negotiate to set off the outstanding construction debts owed by the Target Companies with the Properties at prices not lower than as agreed in the Agreement (“**Obligation 1**”);
- (ii) the Vendors shall assist the Target Companies to negotiate and enter into settlement agreement with the main contractor of the Moonlit River Project and the Lunar River Project by 31 December 2024 for settlement of damages caused by delays in construction and the pandemic (“**Obligation 2**”);
- (iii) the Vendors shall assist the Target Companies to settle all construction costs with the main contractor and sub-contractors of the Moonlit River Project and the Lunar River Project. If the total construction cost of the Moonlit River Project and the Lunar River Project is below RMB1.256 billion, the Target Companies shall, within 5 working days of completion of such cost settlement, pay to the Vendors 50% of such difference;

- (iv) Guangzhou Hejing shall coordinate with its associate, Guangzhou Junheng Building Materials Co., Ltd.* (廣州市君恒建材有限公司) (“**Junheng**”) for settlement of all trade payables owed by Junheng in the total amount of RMB2,282,166.89 within 30 days of the signing of the Agreement (“**Obligation 3**”, and together with Obligation 1 and Obligation 2, the “**Obligations**”); and
- (v) for the guarantee provided by Guangzhou Hejing in favour of Industrial and Commercial Bank of China Limited (Suzhou Industrial Park Sub Branch) in respect of Target Company 1 and the guarantee provided Guangzhou Hejing in favour of Bank of China Limited (Suzhou Wuzhong Branch) and Agricultural Bank of China Limited (Suzhou Gusu Sub branch) in respect of Target Company 2, the Purchaser and the Target Companies shall cause such guarantees to be released within 45 days from the date of the Transfer, failure of which, the Purchaser shall make default payment to the Vendors at a rate of 0.03% of the Balance of Consideration 1 for each day of default.

Refund of the Deposit

The Deposit shall be refunded in the following manner:

- (i) within 3 working days after performance of Obligation 1, the Purchaser shall refund Deposit 1 to Vendor 1 in accordance with the terms of the Agreement. The Purchaser is entitled to deduct from Deposit 1 as default payment in respect of each Property the Vendors failed to release the pledge and/or negotiate for set-off arrangements as stipulated above;
- (ii) within 5 working days after performance of Obligation 2, the Purchaser shall refund Deposit 2 to Vendor 1 in accordance with the terms of the Agreement. Subject to the final amount of damages reached by the Vendors with the main contractor under the settlement agreement, the Purchaser is entitled to deduct from, or retain the entirety of, Deposit 2 as default payment in accordance with the terms of the Agreement; and
- (iii) within 3 working days after performance of Obligation 3, the Purchaser shall refund Deposit 3 to Vendor 1 in accordance with the terms of the Agreement. The Purchaser is entitled to deduct from Deposit 3 such amounts of trade payables failed to be settled by Junheng as default payment.

Conditions precedent to the Disposal

Completion of the Disposal shall be conditional upon the fulfilment (or waiver, if applicable, save for Condition (a) which shall not be waived) of the following Conditions:

- (a) the execution of the Agreement and all necessary consents and approvals pursuant to applicable laws, rules and regulations (including but not limited to the Listing Rules and relevant rules of the state-owned asset supervision and administration department, if applicable) having been obtained by Greentown China Holdings Limited and the Company (including but not limited to the obtaining of their respective shareholders' approval, if necessary);
- (b) all necessary internal approvals having been obtained by the Vendors;
- (c) all necessary internal approvals having been obtained by the Purchaser;
- (d) all necessary internal approvals having been obtained by the Target Companies;
- (e) all representations and warranties made by the Vendors under the Agreement remain true and accurate and not misleading as at the Completion Date; and
- (f) there being no material adverse event occurring to the Target Companies as at the Completion Date.

FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that the Company will record a gain of approximately RMB2 million from the Disposal. Such gain is calculated as the difference between the Consideration and the net asset values of the Target Companies as at 30 June 2023 attributable to Sale Equity 1 and Sale Equity 2, respectively. The actual gain to be recorded is subject to audit and may be different from the estimated amount as it will depend on the actual transaction costs incurred and the Consideration calculated as at the date of the Transfer.

INFORMATION ON THE TARGET COMPANIES

Target Company 1

Target Company 1 is a limited liability company established in the PRC by Vendor 1 and Suzhou Zesheng pursuant to an agreement dated 10 September 2020 for the purpose of the development of the Moonlit River Project. As at the date of this announcement, Target Company 1 is owned as to 50% by Vendor 1 and 50% by Suzhou Zesheng.

Set out below is a summary of the unaudited financial information of Target Company 1 for the two years ended 31 December 2021 and 2022:

	For the year ended 31 December	
	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax	7,033	14,416
Loss after tax	5,275	10,812

The unaudited net asset value of Target Company 1 as at 30 June 2023 was RMB1,039 million.

The financial statements of Target Company 1 are not consolidated into the Company's financial statements. Upon completion of the Disposal, the Group shall cease to have any interests in Target Company 1.

Target Company 2

Target Company 2 is a limited liability company established in the PRC by Vendor 2 and Shanghai Chisheng pursuant to an agreement dated 20 April 2020 for the purpose of the development of the Lunar River Project. As at the date of this announcement, Target Company 2 is owned as to 51% by Vendor 2 and 49% by Shanghai Chisheng.

Set out below is a summary of the unaudited financial information of Target Company 2 for the two years ended 31 December 2021 and 2022:

	For the year ended 31 December	
	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Profit/(loss) before tax	1,929	(27,912)
Profit/(loss) after tax	1,447	(20,934)

The unaudited net asset value of Target Company 2 as at 30 June 2023 was RMB733 million.

The financial statements of Target Company 2 are consolidated into the Company's financial statements. Upon completion of the Disposal, the Group shall cease to have any interests in Target Company 2 and its financial results will no longer be consolidated into the Company's financial statements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As of the date of this announcement, the Target Companies have principally completed the development of the Lunar River Project and the Moonlit River Project. Taking into account the set off arrangement regarding Loan 1 and Loan 2 as disclosed above, the Disposal will facilitate the Group's exit from the Lunar River Project and the Moonlit River Project with proper settlement of corresponding debts, and reduce the overall outstanding debt balances of the Group.

It is expected that the proceeds from the Disposal after all the aforementioned set off arrangement will entirely be used by the Group as working capital.

In view of the above, the Board considers that the terms and conditions of the Agreement have been made on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Group is a large-scale property developer in the PRC with a leading position in the Greater Bay Area and is principally engaged in property development, property investment and hotel operation.

Vendor 1

Vendor 1 is an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability and principally engaged in the investment holding of Target Company 1.

Vendor 2

Vendor 2 is an indirect wholly-owned subsidiary of the Company established in the PRC with limited liability and principally engaged in the investment holding of Target Company 2.

The Purchaser

The Purchaser is a company established in the PRC with limited liability and principally engaged in property development. It is a wholly-owned subsidiary of Greentown China Holdings Limited, a company listed on the Stock Exchange (stock code: 03900).

Target Company 1

Target Company 1 is a company established in the PRC with limited liability principally engaged in the development of the Moonlit River Project. As at the date of this announcement, Target Company 1 is owned as to 50% by Vendor 1 and 50% by Suzhou Zesheng, which is a non-wholly owned subsidiary of the Purchaser.

Moonlit River Project is located in Suzhou, China, and is a residential project developed by Target Company 1 with a total gross floor area of approximately 137,000 square metres.

Target Company 2

Target Company 2 is a company established in the PRC with limited liability principally engaged in the development of the Lunar River Project. As at the date of this announcement, Target Company 2 is owned as to 51% by Vendor 2 and 49% by Shanghai Chisheng, which is a non-wholly owned subsidiary of the Purchaser.

Lunar River Project is located in Suzhou, China, and is a residential project developed by Target Company 2 with a total gross floor area of approximately 130,000 square metres.

Hangzhou Greentown

Hangzhou Greentown is a company established in the PRC with limited liability and is a wholly-owned subsidiary of Hangzhou Zhiyan Investment Co., Ltd.* (杭州致延投資有限公司), which is in turn ultimately owned as to 50% by the Group and 50% by the Purchaser as at the date of this announcement. It is principally engaged in the development of the Hangzhou Oriental Dawn Project (杭州春來曉園項目).

LISTING RULES IMPLICATIONS

Target Company 1 is not a subsidiary of the Company and its financial statements are not consolidated into the Company's financial statements; while Target Company 2 is a subsidiary of the Company and its financial statements are consolidated into the Company's financial statements.

As at the date of this announcement, the Purchaser holds 49% equity interest in Target Company 2, a subsidiary of the Company, and save for which, the Purchaser is not a substantial shareholder of any other subsidiaries of the Company. As the total assets, profits and revenue of Target Company 2 compared to that of the Group are less than 5% under the percentage ratios for the year ended 31 December 2022, Target Company 2 is an insignificant subsidiary of the Company under Rule 14A.09 of the Listing Rules. Therefore, the Purchaser is not regarded as a connected person of the Company pursuant to Rule 14A.09 of the Listing Rules. Accordingly, the Disposal does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all of which are less than 25%, the Disposal, on a standalone basis, constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. However, the Disposal, together with the Hangzhou Disposal, constitute a series of transactions made by the Company within a 12-month period with the same parties and shall be aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal and the Hangzhou Disposal, on an aggregated basis, is more than 25% but all of which are less than 75%, each of the Disposal and the Hangzhou Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting at a general meeting of the Company approving the Disposal if the Company were to convene such a general meeting.

Mr. KONG Jianmin, Mr. KONG Jiantao, Mr. KONG Jiannan, together with their associates, are entitled to exercise voting rights in respect of 1,995,892,839 Shares (representing approximately 58.38% of the issued share capital of the Company). Accordingly, the Company proposes to obtain a written shareholder's approval certificate from Mr. KONG Jianmin, Mr. KONG Jiantao, Mr. KONG Jiannan (being a closely allied group of Shareholders who are parties acting in concert among themselves within the meaning of the Takeovers Code) to approve the Disposal pursuant to Rule 14.44 of the Listing Rules and no extraordinary general meeting will be convened and held by the Company to approve the Disposal.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Agreement and the Disposal; (ii) financial information of the Group; (iii) valuation reports in relation to the Lunar River Project and Moonlit River Project; and (iv) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 5 September 2023.

As the Disposal is subject to the satisfaction and/or waiver, where applicable, of the Conditions, the Disposal may or may not proceed to completion. Shareholders and potential investors should exercise caution when dealing in the shares or any securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the equity transfer agreement dated 15 August 2023 entered into among Vendors, the Purchaser, the Target Companies, Guangzhou Hejing and Hangzhou Greentown in respect of the Disposal
“Board”	the board of Directors
“Company”	KWG Group Holdings Limited (合景泰富集團控股有限公司) (stock code: 1813), a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	the date of fulfillment (or waiver, if applicable) of all the Conditions or such other date as agreed by the Vendors and the Purchaser
“Conditions”	the conditions precedent to the Disposal
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Consideration”	the Consideration 1 and the Consideration 2, collectively
“Consideration 1”	the consideration of Sale Equity 1, being RMB517,351,696.11
“Consideration 2”	the consideration of Sale Equity 2, being RMB378,000,000.38
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of Sale Equity 1 by Vendor 1 and Sale Equity 2 by Vendor 2 to the Purchaser pursuant to the Agreement
“Greentown Real Estate”	Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Greentown China Holdings Limited, a company listed on the Stock Exchange (stock code: 03900)
“Group”	the Company and its subsidiaries

“Guangzhou Hejing”	Guangzhou Hejing Holdings Group Limited* (廣州合景控股集團有限公司), a wholly-owned subsidiary of the Company
“Hangzhou Disposal”	the disposal of 50% equity interest in Hangzhou Zhiyan Investment Co., Ltd.* (杭州致延投資有限公司) by Hangzhou Gaoxin to Hangzhou Zheqing Investment Co., Ltd.* (杭州浙慶投資有限公司), a company controlled by the Purchaser, details of which are set out in the announcement of the Company dated 15 August 2023
“Hangzhou Gaoxin”	Hangzhou Gaoxin Business Service Co., Ltd.* (杭州高信商務服務有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Hangzhou Greentown”	Hangzhou Greentown Zhiyan Urban Development Co., Ltd.* (杭州綠城致延城市發展有限公司), a company established in the PRC with limited liability
“Independent Third Party”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan 1”	the loan owed by Vendor 1 and its associates to Target Company 1 in the total amount of RMB271,309,291.11 (including principal and accrued interest)
“Loan 2”	the loan owed by Vendor 2 and its associates to Target Company 2 in the total amount of RMB431,922,405.38 (including principal and accrued interest)
“Lunar River Project”	Lunar River (明月濱河), a residential property project situated at land parcel Sudi No. 2020-WG-19 Plot
“Moonlit River Project”	Moonlit River (朗月濱河雅苑), a residential property project situated at land parcel Sudi No. 2020-WG-52 Plot
“Pledge”	the pledge of Sale Equity 1 by Vendor 1 and Sale Equity 2 by Vendor 2 as security for the Secured Loan
“PRC”	the People’s Republic of China

“Purchaser”	Greentown Real Estate Group Co., Ltd.* (綠城房地產集團有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of Greentown China Holdings Limited, a company listed on the Stock Exchange (stock code: 03900)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity 1”	the 50% equity interest in Target Company 1
“Sale Equity 2”	the 51% equity interest in Target Company 2
“Secured Loan”	the loan in the amount of approximately RMB109 million (including principal, accrued interest and default interest as at the date of this announcement, the final amount of which shall be confirmed on the Completion Date) owed by Guangzhou Hejing and Hangzhou Gaoxin which was secured by the Pledge
“Shanghai Chisheng”	Shanghai Chisheng Real Estate Co., Ltd.* (上海馳晟置業有限公司), a company established under the laws of the PRC with limited liability
“Share(s)”	ordinary shares with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suzhou Zesheng”	Suzhou Zesheng Real Estate Development Co., Ltd.* (蘇州澤晟房地產開發有限公司), a company established under the laws of the PRC with limited liability
“Takeovers Code”	Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Target Companies”	Target Company 1 and Target Company 2, collectively
“Target Company 1” or “Suzhou Jinyu”	Suzhou Jinyu Real Estate Development Co., Ltd.* (蘇州市景譽房地產開發有限公司), a company established in the PRC with limited liability, and is owned as to 50% by Vendor 1 as at the date of this announcement

“Target Company 2” or “Suzhou Zhuoyu”	Suzhou Zhuoyu Real Estate Development Co., Ltd.* (蘇州市卓譽房地產開發有限公司), a company established in the PRC with limited liability, and is owned as to 51% by Vendor 2 as at the date of this announcement
“Vendors”	Vendor 1 and Vendor 2, collectively
“Vendor 1”	Suzhou Jinhe Real Estate Development Co., Ltd.* (蘇州市金和房地產開發有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Vendor 2”	Suzhou Shangyu Real Estate Development Co., Ltd.* (蘇州市上譽房地產開發有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

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

Hong Kong, 15 August 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.

* *For identification purposes only.*