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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 INTEREST IN A JOINT VENTURE COMPANY

THE DISPOSAL

On 26 May 2026, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share for the Consideration of RMB160 million (subject to adjustments).

The Target Company, through Quality Express, its wholly-owned subsidiary, holds 66.66% equity interest in the EJV. The EJV is principally engaged in the holding, operation and management of the EJV Properties. Upon Completion, the Group will no longer hold any interest in the Target Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal is 25% or more but less than 75%, the Disposal constitutes a major transaction and is subject to the reporting, announcement, circular and shareholder approval requirements under Chapter 14 of 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 has obtained 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; and (iii) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 16 June 2026.

INTRODUCTION

On 26 May 2026, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share.

THE DISPOSAL

The principal terms of the Agreement are set out below:

Subject matter

Subject to the terms and conditions in the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase, the Sale Share.

The Target Company, through Quality Express, its wholly-owned subsidiary, holds 66.66% equity interest in the EJV. The EJV is principally engaged in the holding, operation and management of the EJV Properties. Upon Completion, the Group will no longer hold any interest in the Target Company.

Consideration

The consideration for the Disposal (the "**Consideration**") is RMB160 million, which is subject to upward adjustments based on 33.33% of the corporate income tax refund amount (if any) actually received by the EJV of not more than RMB128 million. The Consideration will be paid as follows:

- (1) **First Payment:** upon Completion, the Purchaser shall pay RMB160,000,000 (the "**First Payment**") to the Vendor.

- (2) Final Payment: Subject to Completion and completion of the Onshore Transaction and the provisions of the Agreement, within five (5) business days from the date on which the EJV has actually received the corporate income tax refund amount (if any), the Purchaser shall pay an amount equal to 33.33% (which represents the indirect economic interest of the Vendor in the EJV, being 50% of the 66.66% equity interest in the EJV indirectly held by the Target Company) of any such corporate income tax refund amount actually received by the EJV to the Vendor.

The Consideration was arrived at after arm's length negotiations between the parties to the Agreement with reference to the consolidated net asset value of the Target Company of RMB27 million as at 31 December 2025, the expected gain on disposal as set out in the section headed "FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS" below, and the factors considered in the section headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT" below.

Conditions precedent

Completion of the Disposal is subject to the satisfaction (or, where applicable, written waiver by the Purchaser) of the following conditions precedent:

- (1) the PRC tax authority having issued a written confirmation to Sun Hung Kai Properties (China) on payment of tax relating to the Disposal;
- (2) all relevant matters between Sun Hung Kai Properties (China), the Company, Guangzhou R&F on the one hand, and the Target Group on the other hand, having been settled as agreed upon by the parties;
- (3) the Company and Guangzhou R&F having jointly sent a written letter to Sun Hung Kai Properties (China) and the relevant property manager to, among others, confirm that the property management and leasing of the Guangzhou IGC Mall shall be handled by Sun Hung Kai Properties (China);
- (4) Sun Hung Kai Properties (China), Guangzhou R&F, and the Company having signed a consent order regarding certain Hong Kong litigation relating to the EJV Properties, agreeing to, among others, discontinue such litigation, which shall be held in escrow by Sun Hung Kai Properties (China) and shall be filed by Sun Hung Kai Properties (China) with the court after Completion and completion of the Onshore Transaction; and
- (5) the representations and warranties of the Vendor remaining true, accurate and complete and not misleading.

Completion

Upon Completion, the procedures for the transfer of the Sale Interest shall be completed. The Onshore Transaction shall also be completed simultaneously.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company incorporated in the British Virgin Islands. The Target Company is held as to 50% by the Vendor, and as to 50% by a wholly-owned subsidiary of Sun Hung Kai Properties (China). The Target Company, through Quality Express, its wholly-owned subsidiary, holds 66.66% equity interest in the EJV. The remaining 33.34% equity interest in the EJV is held by a wholly-owned subsidiary of Guangzhou R&F. Therefore, the Company is indirectly interested in 33.33% of the EJV.

The EJV is engaged in the holding, operation and management of the EJV Properties.

The EJV Properties are a large-scale integrated project in the central business district of the Pearl River New Town in Guangzhou, adjacent to Liede metro station on Line 5, with a total gross floor area of approximately 459,540 square meters, comprising the International Grand City (IGC Mall) in Tianhe District Guangzhou, Conrad Guangzhou and related underground parking spaces.

Set out below is the unaudited consolidated financial information of the Target Company for each of the two years ended 31 December 2024 and 31 December 2025:

	For the year ended	
	31 December	
	2024	2025
	<i>(unaudited)</i>	<i>(unaudited)</i>
	<i>RMB million</i>	<i>RMB million</i>
Net loss before taxation and extraordinary items	(1,131)	(1,529)
Net loss after taxation and extraordinary items	(1,131)	(1,529)

Based on the unaudited consolidated management accounts of the Target Company, as at 31 December 2025, the unaudited consolidated net asset value of the Target Company was approximately RMB27.0 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The principal activities of the Group are property development, property investment and hotel operation.

The Target Company is a joint venture between the Company and Sun Hung Kai Properties (China), and the EJV, a company held as to 66.66% by the Target Company, is a joint venture between the Company, Sun Hung Kai Properties and Guangzhou R&F. Taking into account the current financial conditions of the Group, the Directors are of the view that the Disposal would resolve the outstanding tax issues relating to the Target

Group and/or the EJV Properties and provide a complete exit solution for the Group, and would help the Group to optimize its resources allocation, and to provide financial resources for its operations.

The Directors are of the view that the terms of the Agreement were negotiated on an arm's length basis and on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES TO THE AGREEMENT

The Vendor

The Vendor is a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at the date of the Agreement. It is principally engaged in investment holding.

The Purchaser

The Purchaser is a limited liability company incorporated in Hong Kong and is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser is indirectly wholly owned by Sun Hung Kai Properties (China). Sun Hung Kai Properties (China) is in turn a wholly-owned subsidiary of Sun Hung Kai Properties Limited, a company incorporated with limited liability in Hong Kong whose shares are listed on the Stock Exchange (stock code: 16 (HKD counter) and stock code: 80016 (RMB counter)).

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser, Sun Hung Kai Properties (China) and their ultimate beneficial owners are independent of and not connected with the Company or connected persons (as defined under the Listing Rules) of the Company.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Group will no longer hold any interest in the Target Company. Subject to final audit, it is estimated that the Company will record a gain on disposal of approximately RMB146.5 million from the Disposal, which is calculated with reference to the difference between the initial Consideration of RMB160 million and RMB13.5 million, being 50% of the unaudited consolidated net asset value of the Target Company of RMB27.0 million as at 31 December 2025. The actual amount of gain on the Disposal is subject to review by the auditors of the Company.

The Company intends to apply the proceeds from the Disposal for its general corporate purposes and its debt restructuring.

LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Agreement”	the sale and purchase agreement dated 26 May 2026 entered into among the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Company”	KWG Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 1813)
“Completion”	completion of the Disposal pursuant to the Agreement
“Consideration”	has the meaning ascribed to it under the section headed “Consideration” in this announcement

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share pursuant to the Agreement
“EJV”	Guangzhou Fujing Real Estate Development Co., Ltd.* (廣州市富景房地產開發有限公司), a limited liability company incorporated in the PRC
“EJV Properties”	properties held by the EJV, comprising mainly the International Grand City (IGC Mall) in Tianhe District Guangzhou, Conrad Guangzhou and related underground parking spaces
“Group”	the Company and its subsidiaries
“Guangzhou R&F”	Guangzhou R&F Properties Co., Ltd.* (廣州富力地產股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed on the main board of the Stock Exchange (stock code: 2777)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Onshore Transaction”	the transfer of 33.34% equity interest in the EJV indirectly held by Guangzhou R&F to a subsidiary of Sun Hung Kai Properties (China)
“PRC”	the People’s Republic of China
“Purchaser”	Winner Galaxy Limited (運時有限公司), a limited liability company incorporated in Hong Kong
“Quality Express”	Quality Express Limited (雋升有限公司), a limited liability company incorporated in Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one issued share of the Target Company, representing 50% of the issued share capital of the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Hung Kai Properties (China)”	Sun Hung Kai Properties (China) Limited (新鴻基地產(中國)有限公司), a limited liability company incorporated in Hong Kong

“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission
“Target Company”	Precious Wave Investments Limited, a limited liability company incorporated in the British Virgin Islands
“Target Group”	the Target Company and its subsidiaries from time to time
“Vendor”	Best Day Enterprises Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company as at the date of the Agreement
“%”	per cent.

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

Hong Kong, 27 May 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.

* *For identification purposes only*