

2026 INTERIM REPORT

**Build Home
with Heart
Create Future
with Aspiration**



KWG GROUP HOLDINGS LIMITED

CONTENTS

Corporate Information	2
Corporate Profile	3
Management Discussion and Analysis	4
Other Information	16
Condensed Consolidated Interim Financial Information	
Condensed Consolidated Statement of Profit or Loss	22
Condensed Consolidated Statement of Comprehensive Income	23
Condensed Consolidated Statement of Financial Position	24
Condensed Consolidated Statement of Changes in Equity	26
Condensed Consolidated Statement of Cash Flows	27
Notes to Condensed Consolidated Interim Financial Information	29

CORPORATE INFORMATION

Directors

Executive Directors

KONG Jianmin (*Chairman*)
KONG Jiantao
(*Chief Executive Officer*)
KONG Jiannan
CAI Fengjia

Independent Non-executive Directors

TAM Chun Fai
LAW Yiu Wing, Patrick
WONG Man Ming, Melinda

Company Secretary

CHAN Sze Yin

Authorised Representatives

CAI Fengjia
CHAN Sze Yin

Audit Committee

TAM Chun Fai (*Chairman*)
LAW Yiu Wing, Patrick
WONG Man Ming, Melinda

Remuneration Committee

TAM Chun Fai (*Chairman*)
KONG Jianmin
LAW Yiu Wing, Patrick
WONG Man Ming, Melinda

Nomination Committee

KONG Jianmin (*Chairman*)
TAM Chun Fai
LAW Yiu Wing, Patrick
WONG Man Ming, Melinda

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Room 3502, 35/F
Lee Garden One
33 Hysan Avenue
Causeway Bay, Hong Kong

Principal Share Registrar and Transfer Agent

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

Hong Kong Branch Share Registrar

Computershare Hong Kong Investor
Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

Principal Bankers

Agricultural Bank of China Limited
China Construction Bank
Corporation
China Minsheng Banking Corp. Ltd.
Hang Seng Bank (China) Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of
China (Asia) Limited
Industrial and Commercial Bank
of China Limited
Shanghai Pudong Development
Bank Co., Ltd.
Standard Chartered Bank (China)
Limited
Standard Chartered Bank
(Hong Kong) Limited
The Bank of East Asia, Limited
The Hongkong and Shanghai
Banking Corporation Limited

Auditor

CLA Prism Hong Kong Limited
Registered Public Interest Entity
Auditor

Legal Advisors

as to Hong Kong law:
Sidley Austin

as to Cayman Islands law:
Conyers Dill & Pearman

Website

www.kwggroupholdings.com

Stock Code

1813 (Main Board of The Stock
Exchange of Hong Kong Limited)

CORPORATE PROFILE

Founded in 1995, KWG Group Holdings Limited (“KWG” or the “Company”, together with its subsidiaries, collectively the “Group”) was listed on the Main Board of The Stock Exchange of Hong Kong (stock code: 01813.HK) in July 2007. As one of the leading integrated urban operators in China, the Group has always upheld its core philosophy of “Build home with heart, create future with aspiration”. Originated from Guangzhou, KWG has strategically expanded nationwide across China and has been exploring opportunities in Greater-Bay-Area, Yangtze-River-Delta Area, Pan Bohai Rim Region and Western and Central regions with a strong focus on tier-one and tier-two cities, covering more than 40 cities.

Over the past 30 years, the Group has built up a comprehensive property development system well supported by a balanced portfolio offering different types of products, including mid- to high-end residential properties, serviced apartments, villas, offices, hotels and shopping malls. While deepening property development and commercial operation, the Group has also made strategic expansions into a wide range of segments including education and healthcare to gain synergic development with property business.

In the future, the Group will focus on the development of residential properties and commercial properties, and we are also committed to attach great importance to “environmental, social and governance (the “ESG”)” to fully promote the Company’s environmental, social and governance practices in a sustainable way.

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 first 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.

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
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

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
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
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

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
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
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

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
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
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

MANAGEMENT DISCUSSION AND ANALYSIS

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest ('000 sq.m.)	Interest Attributable to the Group (%)
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
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.

OTHER INFORMATION

Interests of the Directors and Chief Executive in Securities

As at 30 June 2026, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which were required to be (i) notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), were as follows:

(i) Long positions in shares and underlying shares of the Company

Name of Director	Number of Shares held				Total	Approximate percentage of the issued share capital ⁽¹⁾
	Personal Interests (held as beneficial owner)	Family Interests (interests of spouse or child under 18)	Corporate Interests (interests of controlled corporation)	Other Interests		
KONG Jianmin	—	—	1,594,749,652 ⁽³⁾	399,053,500 ⁽²⁾⁽³⁾	1,993,803,152	58.32%
KONG Jiantao	—	—	256,804,687 ⁽⁴⁾	1,443,385,000 ⁽²⁾⁽⁴⁾	1,700,189,687	49.73%
KONG Jiannan	—	—	144,338,500 ⁽⁵⁾	1,553,761,500 ⁽²⁾⁽⁵⁾	1,698,100,000	49.67%
CAI Fengjia	347,222	112,000 ⁽⁶⁾	—	—	459,222	0.01%
TAM Chun Fai	30,000	—	—	—	30,000	0.00%

Notes:

- (1) The approximate percentages were calculated based on 3,418,883,945 ordinary shares of the Company in issue as at 30 June 2026.
- (2) On 30 December 2018, Plus Earn Consultants Limited ("Plus Earn"), a company wholly-owned by Mr. KONG Jianmin and directly holds 1,299,046,500 shares of the Company; Right Rich Consultants Limited ("Right Rich"), a company wholly-owned by Mr. KONG Jiantao and directly holds 254,715,000 shares of the Company; and Peace Kind Investments Limited ("Peace Kind"), a company wholly-owned by Mr. KONG Jiannan and directly holds 144,338,500 shares of the Company, entered into a shareholders' agreement (the "Shareholders' Agreement") to regulate their dealings in the shares of the Company. As such, each party to the Shareholders' Agreement was deemed to have interest in the shares and/or underlying shares held by the other parties pursuant to the Shareholders' Agreement under Section 317(1)(a) of the SFO.
- (3) Mr. KONG Jianmin is deemed to be interested in a total of 1,993,803,152 shares of the Company including (i) 1,299,046,500 shares held by Plus Earn which is wholly-owned by Mr. KONG Jianmin; (ii) 295,703,152 shares held by Hero Fine Group Limited ("Hero Fine") which is wholly-owned by Mr. KONG Jianmin; and (iii) 254,715,000 shares held by Right Rich and 144,338,500 shares held by Peace Kind pursuant to the Shareholders' Agreement.
- (4) Mr. KONG Jiantao is deemed to be interested in a total of 1,700,189,687 shares of the Company including (i) 254,715,000 shares held by Right Rich which is wholly-owned by Mr. KONG Jiantao; (ii) 1,109,587 shares held by Excel Wave Investments Limited ("Excel Wave") which is wholly-owned by Mr. KONG Jiantao; (iii) 980,100 shares held by Wealth Express Investments Limited ("Wealth Express") which is wholly-owned by Mr. KONG Jiantao; and (iv) 1,299,046,500 shares held by Plus Earn and 144,338,500 shares held by Peace Kind pursuant to the Shareholders' Agreement.
- (5) Mr. KONG Jiannan is deemed to be interested in a total of 1,698,100,000 shares of the Company including (i) 144,338,500 shares held by Peace Kind which is wholly-owned by Mr. KONG Jiannan; and (ii) 1,299,046,500 shares held by Plus Earn and 254,715,000 shares held by Right Rich pursuant to the Shareholders' Agreement.
- (6) These shares were held by Mr. CAI Fengjia's spouse.

OTHER INFORMATION

(ii) Interests in debentures of the Company

Name of Director	Capacity/Nature of Interests	Amount of Debentures Interested
KONG Jiantao	Interest of a controlled corporation ⁽¹⁾	US\$2,000,000
	Interest of spouse ⁽²⁾	US\$9,650,000
KONG Jianmin	Interest of a controlled corporation ⁽³⁾	US\$6,650,000

Notes:

- (1) Excel Wave, a company wholly-owned by Mr. KONG Jiantao, held US\$2,000,000 of US\$300,000,000 7.40% senior notes of the Company due 2024. Accordingly, Mr. KONG Jiantao is deemed to be interested in the aforesaid amount of the senior notes held by Excel Wave under the SFO.
- (2) The spouse of Mr. KONG Jiantao held totally US\$9,650,000 senior notes including (i) US\$3,000,000 of US\$300,000,000 7.40% senior notes of the Company due 2024 and (ii) US\$6,650,000 of US\$794,925,800 6.0% senior notes of the Company due 2024. Accordingly, Mr. KONG Jiantao is deemed to be interested in the aforesaid amount of the senior notes held by his spouse under the SFO.
- (3) Hero Fine, a company wholly-owned by Mr. KONG Jianmin, held US\$6,650,000 of US\$794,925,800 6.0% senior notes of the Company due 2024. Accordingly, Mr. KONG Jianmin is deemed to be interested in the said amount of senior note held by Hero Fine under the SFO.

(iii) Long positions in shares of associated corporations

Name of Director	Name of Associated Corporation	Number of shares held	Percentage of the issued voting shares
KONG Jianmin	Plus Earn	1,000	100%

Save as disclosed above, as at 30 June 2026, none of the Directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

Interests of Substantial Shareholders

As at 30 June 2026, to the knowledge of the Directors, the following entities (other than the Directors or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

Long positions in shares and underlying shares of the Company:

Name of Substantial Shareholder	Number of Shares held			Approximate percentage of the issued share capital ⁽¹⁾
	Beneficial Owner	Other Interests	Total	
Plus Earn ⁽²⁾	1,299,046,500	399,053,500 ⁽⁶⁾	1,698,100,000	49.67%
Hero Fine ⁽³⁾	295,703,152	—	295,703,152	8.65%
Right Rich ⁽⁴⁾	254,715,000	1,443,385,000 ⁽⁶⁾	1,698,100,000	49.67%
Peace Kind ⁽⁵⁾	144,338,500	1,553,761,500 ⁽⁶⁾	1,698,100,000	49.67%

Notes:

- (1) The approximate percentage was calculated based on 3,418,883,945 ordinary shares of the Company in issue as at 30 June 2026.
- (2) Plus Earn is legally and beneficially owned as to 100% by Mr. KONG Jianmin. Pursuant to the SFO, Plus Earn is interested and deemed to be interested in a total of 1,698,100,000 shares of the Company including (i) 1,299,046,500 shares directly held by it; and (ii) 254,715,000 shares held by Right Rich and 144,338,500 shares held by Peace Kind, pursuant to the Shareholders' Agreement.
- (3) Hero Fine is legally and beneficially owned as to 100% by Mr. KONG Jianmin.
- (4) Right Rich is legally and beneficially owned as to 100% by Mr. KONG Jiantao. Pursuant to the SFO, Right Rich is interested and deemed to be interested in a total of 1,698,100,000 shares of the Company including (i) 254,715,000 shares directly held by it; and (ii) 1,299,046,500 shares held by Plus Earn and 144,338,500 shares held by Peace Kind, pursuant to the Shareholders' Agreement.
- (5) Peace Kind is legally and beneficially owned as to 100% by Mr. KONG Jiannan. Pursuant to the SFO, Peace Kind is interested and deemed to be interested in a total of 1,698,100,000 shares of the Company including (i) 144,338,500 shares directly held by it; and (ii) 1,299,046,500 shares held by Plus Earn and 254,715,000 shares held by Right Rich, pursuant to the Shareholders' Agreement.
- (6) On 30 December 2018, Plus Earn, Right Rich and Peace Kind entered into the Shareholders' Agreement to regulate their dealings in the shares of the Company. As such, each party to the Shareholders' Agreement was deemed to have interest in the shares and/or underlying shares held by the other parties pursuant to the Shareholders' Agreement under Section 317(1)(a) of the SFO.
- (7) Mr. KONG Jianmin is the sole director of Plus Earn and Hero Fine, Mr. KONG Jiantao is the sole director of Right Rich and Mr. KONG Jiannan is the sole director of Peace Kind.

Save as disclosed above, as at 30 June 2026, no other person (other than the Directors or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Share Option Scheme

Pursuant to the shareholder's resolutions of the Company passed on 9 February 2018, the Company has adopted a new share option scheme (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who will contribute and had contributed to the success of the Group's operations.

During the six months ended 30 June 2026, no share options were granted, exercised, lapsed or outstanding.

As at 1 January 2026 and 30 June 2026, the number of shares in respect of which options are available for grant under the Share Option Scheme were 314,932,505.

Share Award Scheme

The share award scheme (the "Share Award Scheme") was adopted by the Board on 19 January 2018 (the "Adoption Date") in order to recognize and motivate the contributions by certain employees of the Company and/or any member of the Group (the "Eligible Participant(s)") and to give incentives thereto in order to retain them for the continual operation and development of the Group; to attract suitable personnel for further development of the Group; and to provide certain Eligible Participants with a direct economic interest in attaining a long-term relationship between the Group and certain Eligible Participants. Pursuant to the rules of the Share Award Scheme (the "Scheme Rules"), the Board may, from time to time, at its absolute discretion select any Eligible Participant (other than any excluded participant as defined under the Scheme Rules) for participation in the Share Award Scheme as a selected participant (the "Selected Participant"), and determine the number of shares to be granted to the Selected Participant.

During the six months ended 30 June 2026, no awarded shares were granted, exercised, lapsed or outstanding.

The number of awarded shares available for grant under the Share Award Scheme as at 1 January 2026 and 30 June 2026 were 149,174,752. The Selected Participant(s) are not required to pay any amount on application or for the acceptance of the award.

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.

Review by Audit Committee

The audit committee of the Company has reviewed the Company’s interim report for the six months ended 30 June 2026. The audit committee of the Company comprises three members who are independent non-executive Directors.

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.

Disclosures Pursuant to Rule 13.18 of the Listing Rules

Facility Agreement dated 23 December 2020

On 23 December 2020, the Company, as the borrower, and certain of the subsidiaries of the Company, as the original guarantors, entered into a facility agreement (the “Facility Agreement III”) with, among others, The Bank of East Asia, Limited, China CITIC Bank International Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Nanyang Commercial Bank (China), Limited Guangzhou Branch and Standard Chartered Bank (Hong Kong) Limited as the original lenders (the “Original Lenders”), The Bank of East Asia, Limited, China CITIC Bank International Limited, Hang Seng Bank Limited, The Hongkong and Shanghai Banking Corporation Limited, Nanyang Commercial Bank (China), Limited Guangzhou Branch and Standard Chartered Bank (Hong Kong) Limited as mandated lead arrangers and bookrunners and Standard Chartered Bank (Hong Kong) Limited, as the agent, in relation to the granting of transferrable HKD and USD dual currency term loan facility (with a greenshoe option) of up to US\$400 million to the Company for a term of 48 months commencing from the date of the Facility Agreement III.

Pursuant to the terms of the Facility Agreement III, the Company has undertaken to procure that Mr. KONG Jianmin, being the controlling shareholder of the Company, at all times: (i) beneficially owns not less than 35% of the entire issued share capital, voting rights and control of the Company; (ii) is the single largest shareholder of the Company; and (iii) is the chairman of the board of directors of the Company. Failure to comply with any of the above undertakings will constitute an event of default under the Facility Agreement III. Further details of the transaction are disclosed in the announcement of the Company dated 24 December 2020.

As of the date of this report, the circumstances giving rise to the relevant disclosure obligations under Rules 13.18 of the Listing Rules continued to exist.

Interim Dividend

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2026 (2025: Nil).

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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)
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

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (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	
	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	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	11	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	12	719,299	634,394
Total current assets		73,527,663	73,929,112
CURRENT LIABILITIES			
Trade and bills payables	13	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	14	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

Condensed Consolidated Statement of Financial Position

		As at	
	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		37,429	40,045
Interest-bearing bank and other borrowings	14	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	15	325,768	325,768
Reserves		259,256	1,374,549
Non-controlling interests		585,024	1,700,317
		4,913,215	4,945,566
TOTAL EQUITY		5,498,239	6,645,883

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Issued capital	Share premium account	Reserve funds	Exchange fluctuation reserve	Asset revaluation reserve	Capital reserve	Retained profits/ accumulated losses		
	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)	RMB'000 (Unaudited)
At 1 January 2025	325,768	452,130	4,033,062	(3,000,342)	23,516	1,101,955	1,066,188	4,002,277	9,136,369
Loss for the period	—	—	—	—	—	—	(2,053,365)	(2,053,365)	(2,171,682)
Other comprehensive income for the period:									
Exchange differences on translation into presentation currency	—	—	—	500,143	—	—	—	500,143	500,143
Share of exchange differences on translation of joint ventures	—	—	—	45,939	—	—	—	45,939	45,939
Total comprehensive loss for the period	—	—	—	546,082	—	—	(2,053,365)	(1,507,283)	(1,625,600)
Transfer to reserves	—	—	46,749	—	—	—	(46,749)	—	—
At 30 June 2025	325,768	452,130	4,079,811	(2,454,260)	23,516	1,101,955	(1,033,926)	2,494,994	7,510,769
At 1 January 2026	325,768	452,130	4,222,236	(2,028,641)	23,516	1,099,700	(2,394,392)	1,700,317	6,645,883
Loss for the period	—	—	—	—	—	—	(2,555,691)	(2,555,691)	(2,588,042)
Other comprehensive income for the period:									
Exchange differences on translation into presentation currency	—	—	—	1,303,877	—	—	—	1,303,877	1,303,877
Share of exchange differences on translation of joint ventures	—	—	—	136,521	—	—	—	136,521	136,521
Total comprehensive loss for the period	—	—	—	1,440,398	—	—	(2,555,691)	(1,115,293)	(1,147,644)
Transfer to reserves	—	—	108,680	—	—	—	(108,680)	—	—
At 30 June 2026	325,768	452,130*	4,330,916*	(588,243)*	23,516*	1,099,700*	(5,058,763)*	585,024	5,498,239

* These reserve accounts comprise the consolidated reserves of approximately RMB259,256,000 (31 December 2025: approximately RMB1,374,549,000) in the condensed consolidated statement of financial position.

Condensed Consolidated Statement of Cash Flows

		Six months ended 30 June	
		2026	2025
	Notes	RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(3,328,075)	(3,161,750)
Adjustments for:			
Finance costs	5	991,072	1,008,122
Foreign exchange loss		261,587	70,203
Share of losses of joint ventures		1,424,997	873,725
Share of losses of associates		40,220	41,747
Interest income	4	(288)	(1,536)
Loss/(gain) on disposal of items of property, plant and equipment	6	20,753	(6)
Loss on disposal of investment properties		—	18,449
Gain on lease termination		—	(792)
Depreciation	6	129,127	137,803
Amortisation of land use rights	6	19,372	19,199
Fair value losses on investment properties, net		373,887	122,004
Impairment losses recognised for properties under developments and completed properties held for sale	6	117,318	255,105
Loss on disposal of joint ventures		5,625	11,849
Cash flows from operations before changes in working capital		55,595	(605,878)
Changes in working capital		579,614	1,356,573
Cash generated from operations		635,209	750,695
Interest received		288	1,536
Income tax (paid)/refunded		(18,945)	7,026
Net cash flows from operating activities		616,552	759,257

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash flows from operating activities	616,552	759,257
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(194)	(9,366)
Proceeds from disposal of property, plant and equipment	—	260
Proceeds from disposal of investment properties	—	74,907
Investments in and amounts with joint ventures	(56,501)	(22,258)
Disposal of joint ventures	160,000	—
(Advance to)/repayment from associates	(18,096)	6,412
Net cash flows generated from investing activities	85,209	49,955
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment to bank and other borrowings	(297,469)	(434,011)
Interest paid	(289,564)	(378,423)
Net cash flows used in financing activities	(587,033)	(812,434)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	114,728	(3,222)
Cash and cash equivalents at beginning of the period	186,141	152,564
Effect of foreign exchange rate changes, net	(567)	(146)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	300,302	149,196
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	300,302	149,196
Non-pledged time deposits with original maturity of less than three months when acquired	—	—
Cash and cash equivalents	300,302	149,196

Notes to Condensed Consolidated Interim Financial Information

1. Corporate Information

KWG Group Holdings Limited (“KWG” or 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 Company and its subsidiaries (collectively referred to as the “Group”) were 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 of directors of the Company (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 Listing Rules on the Stock Exchange.

The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 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.

2. Basis of Preparation (Continued)

Going concern basis (Continued)

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 facilities 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.

2. Basis of Preparation (Continued)

Going concern basis (Continued)

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

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 RMB'000 (Unaudited)	2025 RMB'000 (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

4. Revenue, Other Income and Gains, Net and Operating Segment Information (Continued)

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)
<i>Type of revenue recognition:</i>			
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
<i>Timing of revenue recognition:</i>			
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

4. Revenue, Other Income and Gains, Net and Operating Segment Information (Continued)

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)
<i>Type of revenue recognition:</i>			
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
<i>Timing of revenue recognition:</i>			
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)
<i>Reconciliation:</i>				
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)

4. Revenue, Other Income and Gains, Net and Operating Segment Information (Continued)

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)
<i>Reconciliation:</i>				
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 RMB'000 (Unaudited)	2025 RMB'000 (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 RMB'000 (Unaudited)	2025 RMB'000 (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
Deferred	(831,136) 91,103	(971,264) (18,804)
Total tax credits for the period	(740,033)	(990,068)

For the six months ended 30 June 2026, the share of CIT expenses and LAT expenses attributable to the joint ventures amounting to approximately RMB68,758,000 (2025: CIT credits of approximately RMB19,475,000) and approximately RMB324,380,000 (2025: approximately RMB3,021,000), respectively, are included in "Share of losses of joint ventures" in the unaudited condensed consolidated statement of profit or loss.

For the six months ended 30 June 2026, the share of CIT expenses and LAT credits attributable to the associates amounting to approximately RMB5,304,000 (2025: approximately RMB1,989,000) and approximately RMB95,000 (2025: LAT expenses of approximately RMB887,000) are included in "Share of losses of the associates" in the unaudited condensed consolidated statement of profit or loss.

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 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Loss		
Loss attributable to owners of the Company	(2,555,691)	(2,053,365)

	Number of shares	
	Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	3,418,883,945	3,418,883,945

10. Property, Plant and Equipment

During the six months ended 30 June 2026, the Group had additions of property, plant and equipment at a total cost of approximately RMB139,100,000 (2025: approximately RMB9,366,000).

11. 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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (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

12. Cash and Bank Balances

	As at 30 June 2026 RMB'000 (Unaudited)	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

13. 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)	31 December 2025 RMB'000 (Audited)
Within one year	14,330,849	15,618,592
Over one 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.

14. Interest-bearing Bank and Other Borrowings

	As at	
	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current		
Bank and other loans (note (d))		
– secured	19,547,395	19,376,560
– unsecured	400,802	347,302
– denominated in HK\$, secured	1,741,020	1,810,516
– denominated in US\$, secured	1,095,213	1,138,932
Current portion of long-term bank loans (note (d))		
– secured	1,041,899	1,961,328
– unsecured	13	54,283
Senior notes – denominated in US\$, secured (note (a))	26,596,402	27,658,053
Domestic corporate bonds – secured (note (b))	—	700,083
	50,422,744	53,047,057
Non-current		
Bank and other loans (note (d))		
– secured	16,613,668	16,123,325
– unsecured	7,126	6,256
Domestic corporate bonds – secured (note (c))	5,139,026	4,430,572
	21,759,820	20,560,153
	72,182,564	73,607,210

- (i) Certain items of the Group's borrowings are secured by buildings, land use rights, investment properties, properties under development and completed properties held for sale of the Group with total carrying values of approximately RMB78,586,007,000 as at 30 June 2026 (31 December 2025: approximately RMB78,727,079,000).
- (ii) As at 30 June 2026 and 31 December 2025, the equity interests of certain subsidiaries of the Group were pledged to certain banks for the loans granted to the Group.
- (iii) As at 30 June 2026 and 31 December 2025, the senior notes were jointly and severally guaranteed by certain subsidiaries of the Group and were secured by the pledges of their equity interests.

Except for the above mentioned borrowings denominated in HK\$ and US\$, all borrowings were denominated in RMB as at 30 June 2026 and 31 December 2025. All of the Group's bank loans were charged at floating interest rates except for loan balances with an aggregate amount of approximately RMB9,538,921,000 (31 December 2025: approximately RMB9,620,836,000), which were charged at fixed interest rate as at 30 June 2026. The Group's senior notes and domestic corporate bonds were charged at fixed interest rates as at 30 June 2026 and 31 December 2025.

14. Interest-bearing Bank and Other Borrowings (Continued)

Notes:

- (a)(i) On 1 March 2019, the Company issued 7.875% senior notes with an aggregate principal amount of US\$350,000,000 (equivalent to approximately RMB2,343,495,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 1 September 2023. The senior notes carry interest at a rate of 7.875% per annum, which is payable semi-annually in arrears on 1 March and 1 September of each year commencing on 1 September 2019. For further details on the senior notes, please refer to the related announcements of the Company dated 21 February 2019, 22 February 2019 and 1 March 2019. On 30 September 2022, the Company has partially settled these senior notes by exchanging with a new senior note.

On 22 March 2019, the Company issued 7.875% senior notes with an aggregate principal amount of US\$350,000,000 (equivalent to approximately RMB2,343,040,000) (to be consolidated and form a single series with the US\$350,000,000 7.875% senior notes due 2023 issued on 1 March 2019). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 1 September 2023. The senior notes carry interest at a rate of 7.875% per annum, which is payable semi-annually in arrears on 1 March and 1 September of each year commencing on 1 September 2019. For further details on the senior notes, please refer to the related announcements of the Company dated 20 March 2019 and 22 March 2019. On 30 September 2022, the Company has partially settled these senior notes by exchanging with a new senior note.

The outstanding principal of US\$63,531,000 and the accrued unpaid interests were not settled on the maturity date and remained outstanding as at 30 June 2026. The senior notes has been delisted on its maturity date. For further details, please refer to the related announcement of the Company dated 31 August 2023.

- (a)(ii) On 29 July 2019, the Company issued 7.40% senior notes with an aggregate principal amount of US\$300,000,000 (equivalent to approximately RMB2,064,630,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 5 March 2024. The senior notes carry interest at a rate of 7.4% per annum, which is payable semi-annually in arrears on 5 March and 5 September of each year commencing on 5 September 2019. For further details on the senior notes, please refer to the related announcements of the Company dated 22 July 2019, 23 July 2019 and 29 July 2019.

On 17 September 2021, the Company issued 7.40% senior notes with an aggregate principal amount of US\$158,000,000 (equivalent to approximately RMB1,019,527,000) (to be consolidated and form a single series with the US\$300,000,000 7.4% senior notes due 2024 issued on 29 July 2019). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 5 March 2024. The senior notes carry interest at a rate of 7.4% per annum, which is payable semi-annually in arrears on 5 March and 5 September of each year commencing on 5 March 2022. For further details on the senior notes, please refer to the related announcements of the Company dated 17 September 2021 and 20 September 2021.

The outstanding principal of US\$458,000,000 and the accrued unpaid interests were not settled on the maturity date and remained outstanding as at 30 June 2026. The senior notes has been delisted on its maturity date. For further details, please refer to the related announcement of the Company dated 4 March 2024.

- (a)(iii) On 10 November 2017, the Company issued 5.875% senior notes with an aggregate principal amount of US\$400,000,000 (equivalent to approximately RMB2,651,280,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 10 November 2024. The senior notes carry interest at a rate of 5.875% per annum, which is payable semi-annually in arrears on 10 May and 10 November of each year commencing on 10 May 2018. For further details on the senior notes, please refer to the related announcements of the Company dated 7 November 2017, 8 November 2017 and 10 November 2017.

14. Interest-bearing Bank and Other Borrowings (Continued)

Notes: (Continued)

(a)(iii) (Continued)

On 3 July 2019, the Company issued 5.875% senior notes with an aggregate principal amount of US\$225,000,000 (equivalent to approximately RMB1,544,400,000) (to be consolidated and form a single series with the US\$400,000,000 5.875% senior notes due 2024 issued on 10 November 2017). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 10 November 2024. The senior notes carry interest at a rate of 5.875% per annum, which is payable semi-annually in arrears on 10 May and 10 November of each year commencing on 10 November 2019. For further details on the senior notes, please refer to the related announcements of the Company dated 25 June 2019 and 3 July 2019.

The outstanding principal of US\$625,000,000 and the accrued unpaid interests were not settled on the maturity date and remained outstanding as at 30 June 2026. The senior notes has been delisted on its maturity date. For further details, please refer to the related announcement of the Company dated 8 November 2024.

(a)(iv) On 13 January 2020, the Company issued 7.40% senior notes with an aggregate principal amount of US\$300,000,000 (equivalent to approximately RMB2,077,890,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 13 January 2027. The senior notes carry interest at a rate of 7.4% per annum, which is payable semi-annually in arrears on 13 January and 13 July of each year commencing on 13 July 2020. For further details on the senior notes, please refer to the related announcements of the Company dated 7 January 2020 and 13 January 2020.

(a)(v) On 10 August 2020, the Company issued 5.95% senior notes with an aggregate principal amount of US\$200,000,000 (equivalent to approximately RMB1,392,980,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 10 August 2025. The senior notes carry interest at a rate of 5.95% per annum, which is payable semi-annually in arrears on 10 February and 10 August of each year commencing on 10 February 2021. For further details on the senior notes, please refer to the related announcements of the Company dated 4 August 2020 and 10 August 2020.

On 10 September 2021, the Company issued 5.95% senior notes with an aggregate principal amount of US\$100,000,000 (equivalent to approximately RMB645,660,000) (to be consolidated and form a single series with the US\$200,000,000 5.95% senior notes due 2025 issued on 10 August 2020). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 10 August 2025. The senior notes carry interest at a rate of 5.95% per annum, which is payable semi-annually in arrears on 10 February and 10 August of each year commencing on 10 February 2022. For further details on the senior notes, please refer to the related announcements of the Company dated 7 September 2021, 10 September 2021 and 13 September 2021.

The outstanding principal of US\$300,000,000 and the accrued unpaid interests were not settled on the maturity date and remained outstanding as at 30 June 2026. The senior notes has been delisted on its maturity date. For further details, please refer to the related announcement of the Company dated 8 August 2025.

(a)(vi) On 13 November 2020, the Company issued 6.30% senior notes with an aggregate principal amount of US\$400,000,000 (equivalent to approximately RMB2,651,400,000). The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 13 February 2026. The senior notes carry interest at a rate of 6.3% per annum, which is payable semi-annually in arrears on 13 February and 13 August of each year commencing on 13 February 2021. For further details on the senior notes, please refer to the related announcements of the Company dated 8 November 2020, 13 November 2020 and 16 November 2020.

The outstanding principal of US\$400,000,000 and the accrued unpaid interests were not settled on the maturity date and remained outstanding as at 30 June 2026. The senior notes has been delisted on its maturity date. For further details, please refer to the related announcement of the Company dated 12 February 2026.

(a)(vii) On 14 May 2021, the Company issued 6.00% green senior notes with an aggregate principal amount of US\$378,000,000 (equivalent to approximately RMB2,439,045,000). The green senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 14 August 2026. The green senior notes carry interest at a rate of 6% per annum, which is payable semi-annually in arrears on 14 February and 14 August of each year commencing on 14 August 2021. For further details on the green senior notes, please refer to the related announcements of the Company dated 11 May 2021, 14 May 2021 and 17 May 2021.

14. Interest-bearing Bank and Other Borrowings (Continued)

Notes: (Continued)

- (a)(viii) On 2 September 2022, the Company offered to exchange for at least US\$810,000,000, or 90%, of the aggregate outstanding principal amount of the senior notes due 15 September 2022 and the senior notes due 21 September 2022. For holders accepting the exchange offer, 5% of the principal would be repaid upfront, and a new senior notes carry interest at a rate of 6.00% per annum with final maturity date of 14 January 2024 would be issued to exchange for the remaining outstanding principal. The Company has received US\$836,764,000 valid tenders to accept the exchange offer. Accordingly, on 14 September 2022, holders accepting the exchange offer have received US\$41,838,200 upfront principal repayment and new 6.00% senior notes with principal amount of US\$794,925,800. The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 14 January 2024. Interest on the senior notes is payable semi-annually in arrears on 14 January and 14 July of each year, commencing on 14 January 2023. For further details on the senior notes, please refer to the related announcements of the Company dated 2 September 2022, 13 September 2022, 15 September 2022 and 19 September 2022.

For the remaining outstanding principal of US\$63,236,000, the Company has repaid these senior notes on their respective maturity dates, with US\$43,963,000 being repaid on 15 September 2022 and US\$19,273,000 being repaid on 21 September 2022.

For the new 6.00% senior notes with principal amount of US\$794,925,800, the Company has not made a redemption payment of US\$119,238,870 for such part of the principal due on 14 May 2023, and the interest thereon. Under the terms of this senior note, failure to pay such part of the principal on the mandatory redemption date has constituted an event of default. For further details, please refer to the related announcement of the Company dated 14 May 2023. These amounts remained outstanding as at 30 June 2026.

- (a)(ix) On 2 September 2022, the Company offered to exchange for at least US\$560,000,000, or 80%, of the aggregate outstanding principal amount of the senior notes due 1 September 2023. For holders accepting the exchange offer, a new senior notes carry interest at a rate of 7.875% per annum with final maturity date of 30 August 2024 would be issued to exchange for the outstanding principal. The Company has received US\$636,469,000 valid tenders to accept the exchange offer. Accordingly, on 30 September 2022, new 7.875% senior notes have been issued to the holders accepting the exchange offer. The senior notes are redeemable at the option of the Company at certain predetermined prices in certain specific periods prior to the maturity date of 30 August 2024. Interest on the senior notes is payable semi-annually in arrears on 28 February and 30 August of each year, commencing on 28 February 2023. For further details on the senior notes, please refer to the related announcements of the Company dated 2 September 2022, 13 September 2022, 30 September 2022 and 5 October 2022.

The outstanding principal of US\$636,469,000 and the accrued unpaid interests were not settled on the maturity date and remained outstanding as at 30 June 2026.

- (b) On 30 January 2023, Guangzhou Hejing issued domestic corporate bonds in the PRC with an aggregate principal amount of RMB700,000,000.

On 30 January 2026, Guangzhou Hejing repaid domestic corporate bonds with an aggregate principal amount of RMB700,000,000. At the same time, Guangzhou Hejing newly issued domestic corporate bonds with an aggregate principal amount of RMB700,000,000.

- (c)(i) In September 2025, the onshore debt restructuring proposal was approved at the relevant meetings of bondholders and the repayment arrangements of the relevant domestic corporate bonds were adjusted with extended maturities ranging from 5 to 9 years and a new coupon rate of 1% per annum. The onshore debt restructuring proposal offered options including bond buyback, debt-for-asset swap, and conversion into ordinary debts.

The onshore debt restructuring was regarded as a substantial modification under the relevant accounting standards. As the onshore debt restructuring proposal in relation to the six onshore bonds was approved at the relevant meetings of bondholders held in September 2025, the carrying amounts of the relevant corporate bonds of approximately RMB8.00 billion, and their accrued interests of approximately RMB1.03 billion were fully derecognized. The new financial liabilities were recognized at their fair values of RMB4.38 billion at the effective date of the onshore debt restructuring.

- (c)(ii) In April 2026, the Group has repurchased onshore debt in principal amount of RMB297,450,000 pursuant to the arrangements of the bond repurchase option, at cash consideration of RMB44,617,500.

14. Interest-bearing Bank and Other Borrowings (Continued)

Notes: (Continued)

- (d) The bank loans carry interests at prevailing market rates ranging from 2.5% to 10% per annum as at 30 June 2026 (31 December 2025: 2.5% to 12.1% per annum).
- (e) The Group has established a contemplated strategy to repurchase and sell its own domestic corporate bonds and senior notes (collectively the "Bonds"), from time to time, in the open market, for the purposes of managing its overall leverage and reducing the Group's overall borrowing costs.

15. Share Capital

	30 June 2026		As at	
	No. of shares (Unaudited)	RMB'000 (Unaudited)	31 December 2025 No. of shares (Audited)	RMB'000 (Audited)
Authorised:				
Ordinary shares of HK\$0.10 each	8,000,000,000	786,113	8,000,000,000	786,113
Issued and fully paid:				
Ordinary shares of HK\$0.10 each	3,418,883,945	325,768	3,418,883,945	325,768

A summary of movements in the Company's issued share capital is as follows:

	Number of shares in issue (Unaudited)	Issued capital RMB'000 (Unaudited)	Share premium account RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2026	3,418,883,945	325,768	452,130	777,898
At 30 June 2026	3,418,883,945	325,768	452,130	777,898

	Number of shares in issue (Unaudited)	Issued capital RMB'000 (Unaudited)	Share premium account RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
At 1 January 2025	3,418,883,945	325,768	452,130	777,898
At 30 June 2025	3,418,883,945	325,768	452,130	777,898

16. Disposal of Subsidiaries

In 2025, the Group disposed of interests in a number of subsidiaries to certain third parties. Details of the disposals are as follows:

	RMB'000
Disposal consideration	
— Cash received	39,000
	39,000
Less:	
— Total net assets of subsidiaries disposed of	(37,338)
Gains on disposals	1,662
Cash proceeds from disposals, net of cash disposed of	
— Cash considerations received	39,000
— Less: cash and cash equivalents in the subsidiaries disposed of	(43)
Net cash inflow on disposals	38,957

17. Financial Guarantees

- (i) As at 30 June 2026, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties amounting to approximately RMB7,719,561,000 (31 December 2025: approximately RMB8,471,152,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principal together with the accrued interest and penalty owed by the defaulting purchasers to the banks and the Group is entitled, but not limited to take over the legal titles 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 considered that in case of default in payments, the net realisable value of the related properties will be sufficient to cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the financial information as at 30 June 2026 and 31 December 2025 for the guarantees.

- (ii) As at 30 June 2026, the Group had provided guarantees in respect of certain bank loans of approximately RMB14,279,551,000 (31 December 2025: approximately RMB14,270,515,000) for its joint ventures, associates, third parties and related companies.

18. Commitments

The Group had the following capital commitments at the end of the reporting period:

	As at 30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment	961,852	941,780
Properties being developed by the Group for sale	5,981,908	5,367,026
Investment properties	428,140	420,884
	7,371,900	6,729,690

In addition, the Group's share of the joint ventures' own capital commitments, which are not included in the above, is as follows:

	As at 30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Contracted, but not provided for	1,632,279	1,604,531

19. Related Party Transactions

(i) Compensation of key management personnel of the Group:

	Six months ended 30 June 2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Short term employee benefits	9,959	7,012
Post-employment benefits	202	258
Total compensation paid to key management personnel	10,161	7,270

19. Related Party Transactions (Continued)

(ii) Outstanding balances with related parties:

	As at 30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Included in interests in joint ventures: Advances to joint ventures	23,163,907	23,131,718
Included in interests in associates: Advances to associates	821,139	803,044
Included in prepayments, other receivables and other assets: Due from KWG Living	194,440	194,440
Included in trade and bills payables: Due to subsidiaries of KWG Living	1,083,397	1,065,359
Included in current assets: Due from a joint venture	19,129	19,129
Included in current liabilities: Due to associates	1,190,843	1,316,824
Due to joint ventures	7,837,526	7,861,285

As at 30 June 2026 and 31 December 2025, the advances to joint ventures as shown above are unsecured, interest-free and not repayable within 12 months.

As at 30 June 2026 and 31 December 2025, the advances to associates are unsecured, interest-free and repayable on demand.

As at 30 June 2026 and 31 December 2025, the balances with the joint ventures and associates included in the Group's current assets and current liabilities are unsecured, interest-free and repayable on demand.

19. Related Party Transactions (Continued)

- (iii) During the six months ended 30 June 2026, the Group leased some properties to related companies, of which an executive director of the Company is the ultimate beneficial owner, for a total cash consideration of approximately RMB5,737,000 (2025: approximately RMB6,798,000), which was recognised as rental income of the Group. The rental income was determined at rates mutually agreed between the Group and the executive director.
- (iv) KWG Living Group became a related party of the Company since its listing of the ordinary shares of KWG Living on the Main Board of the Stock Exchange on 30 October 2020 and the aggregate amounts set out below with KWG Living Group are for the transactions involved during the six months ended 30 June 2026.

	Six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Rental income from KWG Living Group		
Property Lease:		
Properties	2,323	2,196
Car parking lots	5,164	3,399
	7,487	5,595
Information technology income	1,000	1,000
Service fees to KWG Living Group		
Residential Property Management Services:		
Residential pre-sale management services	3,520	12,197
Residential property management services	32,544	32,056
	36,064	44,253
Property Agency Services	1,576	4,407
Commercial Property Management Services:		
Commercial pre-sale management services	1,339	4,573
Commercial property management services	25,376	32,802
	26,715	37,375
Commercial Operational and Value-added Services:		
Commercial operational services	25,393	24,287
Commercial value-added services	7,933	7,730
	33,326	32,017
Publicity Planning Service	126	718
Marketing Channel Management Service	—	53

Note: These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

19. Related Party Transactions (Continued)

- (v) During the six months ended 30 June 2026, the Group provided project management services to certain joint ventures of the Group for a total cash consideration of approximately RMB2,123,000 (2025: approximately RMB1,216,000), which was recognised as other income of the Group. The project management fee income was determined at rates mutually agreed between the Group and the joint ventures.
- (vi) During the six months ended 30 June 2026 and 2025, no interest income was recognised as other income of the Group, which was determined at rates mutually agreed between the Group and the joint ventures and associates.
- (vii) **Other transactions with related parties:**
Details of guarantees given by the Group to banks in connection with bank loans granted to its joint ventures and associates are included in note 17(ii) to the unaudited condensed consolidated interim financial information.

20. Fair Value and Fair Value Hierarchy of Financial Instruments

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts As at 30 June 2026 RMB'000 (Unaudited)	Fair values As at 30 June 2026 RMB'000 (Unaudited)	Carrying amounts As at 31 December 2025 RMB'000 (Audited)	Fair values As at 31 December 2025 RMB'000 (Audited)
Financial liabilities				
Interest-bearing bank and other borrowings	72,182,564	45,839,849	73,607,210	46,442,339

Management has assessed that the fair values of cash and bank balances, trade receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, financial liabilities included in other payables and accruals, lease liabilities, amounts due from/to joint ventures and due to associates approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the management of the Group. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the management of the Group. The valuation process and results are discussed with the management of the Group twice a year for interim and annual financial reporting.

20. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The Group did not have any financial assets and financial liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

During the six months ended 30 June 2026, there were no transfers of fair value measurements between Level 1 and Level 2 (2025: None). No transfers into or out of Level 3 for both financial assets and financial liabilities (2025: RMB4,546,511,000 transfers into Level 3 for financial liabilities).

Liabilities for which fair values are disclosed:

As at 30 June 2026

	Fair value measurement using			Total RMB'000 (Unaudited)
	Quoted prices in active markets (Level 1) RMB'000 (Unaudited)	Significant observable inputs (Level 2) RMB'000 (Unaudited)	Significant unobservable inputs (Level 3) RMB'000 (Unaudited)	
Interest-bearing bank and other borrowings	—	41,474,007	4,365,842	45,839,849

As at 31 December 2025

	Fair value measurement using			Total RMB'000 (Audited)
	Quoted prices in active markets (Level 1) RMB'000 (Audited)	Significant observable inputs (Level 2) RMB'000 (Audited)	Significant unobservable inputs (Level 3) RMB'000 (Audited)	
Interest-bearing bank and other borrowings	—	41,895,828	4,546,511	46,442,339

21. Approval of the Unaudited Condensed Consolidated Interim Financial Information

The unaudited condensed consolidated interim financial information was approved and authorised for issue by the Board on 27 August 2026.