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KWG GROUP HOLDINGS LIMITED

合景泰富集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1813)

**CLARIFICATION ANNOUNCEMENT
IN RELATION TO THE ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Reference is made to the annual results announcement of KWG Group Holdings Limited (the “**Company**”) for the year ended 31 December 2018 dated 25 March 2019 (the “**Results Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Results Announcement.

The Company wishes to correct the inadvertent typographical errors in the Results Announcement as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The consolidated statement of financial position of the Group as at 31 December 2018 as disclosed on pages 4 and 5 of both the English and Chinese versions of the Results Announcement should read as follows (with the corrections underlined):

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	<i>Notes</i>	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	12	5,351,448	4,173,873
Investment properties		17,490,590	13,718,600
Land use rights		1,109,471	1,071,688
Interests in associates		3,452,270	740,629
Interests in joint ventures		34,715,581	32,091,230
Deferred tax assets		<u>1,642,044</u>	<u>1,410,904</u>
Total non-current assets		<u>63,761,404</u>	<u>53,206,924</u>
CURRENT ASSETS			
Properties under development		47,302,324	30,908,445
Completed properties held for sale		8,919,658	6,540,415
Trade receivables	13	957,665	535,665
Prepayments, other receivables and other assets		6,406,463	2,963,398
Due from a joint venture		30,069	30,065
Tax recoverables		482,606	292,805
Restricted cash		4,099,329	1,268,364
Cash and cash equivalents		<u>52,577,643</u>	<u>39,198,957</u>
Total current assets		<u>120,775,757</u>	<u>81,738,114</u>
CURRENT LIABILITIES			
Trade and bills payables	14	4,077,063	2,644,265
Other payables and accruals		<u>22,517,471</u>	8,455,136
Due to joint ventures		39,294,914	27,929,009
Due to associates		592,204	—
Interest-bearing bank and other borrowings		17,363,932	3,740,551
Tax payables		<u>6,851,772</u>	<u>6,638,355</u>
Total current liabilities		<u>90,697,356</u>	<u>49,407,316</u>

	2018 <i>RMB'000</i>	2017 <i>RMB'000</i>
NET CURRENT ASSETS	<u>30,078,401</u>	<u>32,330,798</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>93,839,805</u>	<u>85,537,722</u>
NON-CURRENT LIABILITIES		
Interest-bearing bank and other borrowings	60,418,315	55,904,620
Deferred tax liabilities	1,647,439	1,385,367
Deferred revenue	2,042	2,042
Total non-current liabilities	<u>62,067,796</u>	<u>57,292,029</u>
NET ASSETS	<u>31,772,009</u>	<u>28,245,693</u>
EQUITY		
Equity attributable to owners of the Company		
Issued capital	303,909	302,355
Treasury shares	(125)	—
Reserves	<u>28,474,780</u>	<u>27,304,929</u>
	<u>28,778,564</u>	27,607,284
Non-controlling interests	<u>2,993,445</u>	<u>638,409</u>
TOTAL EQUITY	<u>31,772,009</u>	<u>28,245,693</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 3 — Changes in accounting policies and disclosures

The consolidated statement of financial position of the Group as at 31 December 2018 as disclosed under Note 3 of the Notes to the financial statements on page 10 of both the English and Chinese versions of the Results Announcement should read as follows (with the corrections underlined):

Consolidated statement of financial position as at 31 December 2018 :

		Amounts prepared under		
		HKFRS 15	Previous	Increase/
	Notes	RMB'000	HKFRS	(decrease)
			RMB'000	RMB'000
Properties under development	(i)	47,302,324	<u>48,806,961</u>	<u>(1,504,637)</u>
Prepayments, other receivables and other assets	(iii)	6,406,463	<u>6,430,927</u>	<u>(24,464)</u>
Tax recoverables	(iv)	482,606	497,364	(14,758)
Interest in associates	(i)	3,452,270	3,428,830	23,440
Interest in joint ventures	(i)	34,715,581	34,469,347	246,234
Deferred tax assets	(iv)	1,642,044	1,772,814	(130,770)
Total assets		184,537,161	185,942,116	(1,404,955)
Other payables and accruals	(i),(ii)	<u>22,517,471</u>	<u>24,648,843</u>	(2,131,372)
Tax payable	(iv)	6,851,772	6,758,469	93,303
Deferred tax liabilities	(iv)	1,647,439	1,639,802	7,637
Total liabilities		<u>152,765,152</u>	<u>154,795,584</u>	(2,030,432)
Net assets		<u>31,772,009</u>	<u>31,146,532</u>	625,477
Reserve	(i),(iv)	<u>28,474,780</u>	<u>27,932,006</u>	542,774
Non-controlling interests	(iv)	2,993,445	2,910,742	82,703
Total equity		<u>31,772,009</u>	<u>31,146,532</u>	625,477

Note 10 — Dividends

The interim dividend for the year as disclosed in the first paragraph under Note 10 of the Notes to the financial statements on page 20 of both the English and Chinese versions of the Results Announcement was mistakenly stated to be made out of the retained profit of the Company. The Company wishes to clarify that the interim dividend for the year is made out of the share premium of the Company.

GEARING RATIO

The gearing ratio of the Group as at 31 December 2018 as disclosed in the paragraph under the section headed “Gearing Ratio” on page 26 of both the English and Chinese versions of the Results Announcement was mistakenly stated as 64.8%. The Company wishes to clarify that the correct figure for the gearing ratio of the Group as at 31 December 2018 should be 66.4%.

The above clarifications do not affect other information contained in the Results Announcement. Save as disclosed above and in the clarification announcements published by the Company on 26 March 2019 and 8 April 2019, all information and contents set out in the Results Announcement remain unchanged.

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

Hong Kong, 23 April 2019

As at the date of this announcement, the Board comprises eight Directors, of which Mr. Kong Jianmin (Chairman), Mr. Kong Jiantao, Mr. Kong Jiannan, Mr. Tsui Kam Tim and Mr. Cai Fengjia are the executive Directors; and Mr. Lee Carmelo Ka Sze, JP, Mr. Tam Chun Fai and Mr. Li Binhai are the independent non-executive Directors.