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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)

PROFIT WARNING

This announcement is made by KWG Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**” or the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the draft unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and the information currently available to the Board, the Group is expected to record profit for the period of RMB450 million to RMB500 million for the six months ended 30 June 2022, representing a decrease of approximately 82% to 84% as compared with the corresponding period in 2021.

Such estimated decreases are primarily attributable to (i) the impact caused by the continued and prolonged COVID-19 pandemic, causing delays in construction progress, and (ii) the worsening of the real estate market, resulting in weakened property buyers confidence, and declines in the average selling prices and areas sold and delivered. Sales recognised during the period are therefore at a lower gross profit margin. Impairment losses and revaluation losses are also made on property projects in view of the current market situation.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2022. The financial information contained in this announcement is only based on the preliminary review made by the Board with reference to the draft unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 and the other information currently available, which have not been reviewed by the Company's auditor and is therefore subject to possible change and adjustment upon further review. The interim results of the Group for the six months ended 30 June 2022, which are expected to be published on 30 August 2022, may be different to the information referred in this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in securities of the Company.

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

Hong Kong, 22 August 2022

As at the date of this announcement, the Board comprises seven Directors, of whom Mr. KONG Jianmin (Chairman), Mr. KONG Jiantao (Chief Executive Officer), Mr. KONG Jiannan and Mr. CAI Fengjia are Executive Directors; and Mr. LEE Ka Sze, Carmelo, Mr. TAM Chun Fai and Mr. LAW Yiu Wing, Patrick are Independent Non-executive Directors.