合景泰富集團
KWG GROUP HOLDINGS

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 and Debt Stock Codes: 40338, 40465, 40683 and 40117)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board of directors (the "**Board**" or the "**Directors**") of KWG Group Holdings Limited (the "**Company**") announces the consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2024. The annual results have been reviewed by the audit committee of the Company (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
REVENUE	6	**11,061,516**	15,807,106
Cost of sales		**(9,172,763)**	(18,446,337)
Gross profit/(loss)		**1,888,753**	(2,639,231)
Other income and gains, net	6	**522,118**	677,280
Selling and marketing expenses		**(736,950)**	(1,116,676)
Administrative expenses		**(1,288,823)**	(1,631,041)
Other operating expenses, net		**(2,285,419)**	(2,537,864)
Fair value losses on investment properties, net		**(1,890,315)**	(2,516,081)
Finance costs	7	**(2,929,107)**	(2,852,833)
Share of profits and losses of:			
Associates		**(175,280)**	(199,171)
Joint ventures		**(882,987)**	(4,811,431)
LOSS BEFORE TAX	8	**(7,778,010)**	(17,627,048)
Income tax expense	9	**(372,965)**	(1,352,248)
LOSS FOR THE YEAR		**(8,150,975)**	(18,979,296)
Attributable to:			
Owners of the Company		**(8,085,373)**	(18,732,972)
Non-controlling interests		**(65,602)**	(246,324)
		(8,150,975)	(18,979,296)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	11		
Basic		**RMB(236) cents**	RMB(548) cents
Diluted		**RMB(236) cents**	RMB(548) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	2024	2023
	RMB'000	*RMB'000*
LOSS FOR THE YEAR	**(8,150,975)**	(18,979,296)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	**(270,020)**	(263,191)
Share of exchange differences on translation of joint ventures	**252**	(49,643)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(269,768)**	(312,834)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation into presentation currency	**(406,019)**	(226,333)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(406,019)**	(226,333)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**(675,787)**	(539,167)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(8,826,762)**	(19,518,463)
Attributable to:		
Owners of the Company	**(8,761,160)**	(19,272,139)
Non-controlling interests	**(65,602)**	(246,324)
	(8,826,762)	(19,518,463)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**9,006,400**	9,432,703
Investment properties		**21,927,890**	24,650,440
Land use rights		**3,453,471**	3,597,564
Interests in associates		**7,030,378**	8,217,365
Interests in joint ventures		**31,704,245**	32,306,108
Deferred tax assets		**2,111,804**	2,033,463
Total non-current assets		**75,234,188**	80,237,643
CURRENT ASSETS			
Properties under development		**45,073,983**	49,805,396
Completed properties held for sale		**17,041,561**	18,724,363
Trade receivables	13	**287,543**	331,647
Prepayments, other receivables and other assets		**13,708,501**	15,449,997
Due from a joint venture		**19,129**	21,532
Tax recoverables		**1,183,937**	1,175,422
Cash and bank balances		**787,445**	1,719,395
Total current assets		**78,102,099**	87,227,752
CURRENT LIABILITIES			
Trade and bills payables	14	**18,928,404**	19,402,520
Lease liabilities		**17,959**	51,491
Other payables and accruals		**26,766,236**	29,879,544
Due to joint ventures		**8,088,049**	8,028,741
Due to associates		**1,364,879**	2,483,159
Interest-bearing bank and other borrowings		**46,193,153**	41,087,060
Tax payables		**14,392,883**	13,743,107
Total current liabilities		**115,751,563**	114,675,622
NET CURRENT LIABILITIES		**(37,649,464)**	(27,447,870)
TOTAL ASSETS LESS CURRENT LIABILITIES		**37,584,724**	52,789,773
NON-CURRENT LIABILITIES			
Lease liabilities		**68,723**	518,806
Interest-bearing bank and other borrowings		**26,731,899**	32,248,912
Deferred tax liabilities		**1,645,691**	1,949,322
Deferred revenue		**2,042**	2,042
Total non-current liabilities		**28,448,355**	34,719,082
NET ASSETS		**9,136,369**	18,070,691

	2024	2023
	RMB'000	*RMB'000*
EQUITY		
Equity attributable to owners of the Company		
Issued capital	**325,768**	325,768
Reserves	**3,676,509**	12,406,166
	4,002,277	12,731,934
Non-controlling interests	**5,134,092**	5,338,757
TOTAL EQUITY	**9,136,369**	18,070,691

Notes:

1. CORPORATE AND GROUP INFORMATION

The Company was 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 year, the Group was 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.

2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards ("**HKFRSs**") (which include all HKFRS Accounting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties which have been measured at fair value. These financial statements are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;
(b) rights arising from other contractual arrangements; and
(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of the subsidiaries are consolidated from the dates on which the Group obtains control, and continue to be consolidated until the dates that such control ceases.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the owners of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets, (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

The Company has set up a trust (the "**Trust**") for the purpose of purchasing, administering and holding the Company's shares for the share award scheme adopted on 19 January 2018. The Group has the power to govern the financial and operating policies of the Trust and derive benefits from the services of the employees who have been awarded the awarded shares through their continued employment with the Group. The assets and liabilities of the Trust are included in the consolidated statement of financial position and the shares held by the Trust are presented as a deduction in equity as shares held for the share award scheme.

Going concern basis

For the year ended 31 December 2024, the Group incurred a net loss of approximately RMB8,150,975,000, and as of that date, the Group recorded a net current liabilities of approximately RMB37,649,464,000, and the Group's current portion of interest-bearing bank and other borrowings amounted to approximately RMB46,193,153,000, while its cash and bank balances amounted to approximately RMB787,445,000.

The Group did not repay the principal and interest of several USD denominated senior notes (the "**Senior Notes**") and bank and other borrowings since the year ended 31 December 2023, triggering an event of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. The Company had also suspended trading of all its Senior Notes listed on the Stock Exchange in May 2023. As at 31 December 2024, the aggregate principal amount and interest payables of the Senior Notes and bank and other borrowings in default or cross default are approximately RMB41,073,253,000.

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) Since the launch of the project whitelist mechanism, in which city governments should provide a list of local property projects suitable for financing support, and coordinate with local financial institutions to meet the financing needs of these projects, the Group has been actively submitting application to respective local authorities for inclusion of its projects into the whitelist. As at the date of this announcement, 35 projects of the Group has been included in the whitelist, with another 7 projects in the application process. An aggregate loan principal of approximately RMB10.1 billion has been extended for the project financing on these projects as of the date of this announcement. The Group will continue to submit applications for other projects of the Group not yet included in the whitelist, to facilitate the Group to obtain project development financing and/or refinancing for its projects.

(ii) The Group had engaged financial advisor and legal advisor to explore a holistic solution to the current offshore debts situation to secure the sustainable operations of the Group for the benefit of all of its stakeholders. In this regard, the Group and its offshore advisors have been communicating and constructively engaging with an ad hoc group ("**AHG**") of certain holders of the Senior Notes which, as at the date of this announcement, is holding approximately 24% in aggregate principal amount of the Senior Notes and its advisors, together with a group of bank lenders in respect of the Company's syndicated loan (the "**Syndicated Loan**") and their respective advisors, to facilitate the formulation of a consensual and holistic restructuring proposal in respect of certain of the Company's offshore indebtedness with an aggregate principal amount of approximately USD4.5 billion (the "**Target Existing Debts**").

    Having considered the Company's debt servicing capability and the prevailing property market conditions, the Company's latest restructuring proposal (the "**Proposal**") entails various options to achieve a significant de-leveraging of the Target Existing Debts, the bid-ask gap on the de-leveraging ratio is subject to further negotiation between the AHG and the Company as at the date of this announcement, while accommodating the needs and preferences of different creditors.

    The Proposal contemplates, among other things:

    (1) converting the Target Existing Debts into new USD denominated notes ("**New Notes**") (with varying conversion ratios, maturities, interest rates, security and seniority arrangements) and/or mandatory convertible bonds which convert into new ordinary shares of the Company; (2) a cash sweep mechanism involving using net proceeds of certain projects as a designated source of funding for the repayment of certain New Notes; (3) the New Notes will be guaranteed and secured by certain key offshore subsidiaries; and (4) offering a consent fee to the creditors who provide their support to the Proposal.

    As at the date of this announcement, the Company is still in negotiations with the AHG on the Proposal and there are certain aspects of the Proposal that are still being discussed. The Company expects to continue the proactive and constructive engagement and maintain a positive momentum with the AHG with a view to narrowing the bid-ask gap on the various economic terms of the Proposal as soon as practicable. Meanwhile, the Company intends to engage in discussions with other creditors (including holders of other Target Existing Debts) in parallel to ensure support from the creditors and to obtain feedback from those creditors on the Company's restructuring proposal.

(iii) In August 2024, Unicorn Bay (Hong Kong) Investments Limited, a project company in which the Group owns 50% shareholding interest (the "**Project Company**"), has successfully obtained a refinancing facility of HKD8.2 billion with maturity beyond 2027. The Project Company is principally engaged in the development and sale of The Corniche, a residential project located at Ap Lei Chau, Hong Kong. The Corniche is a significant offshore asset of the Group, and the successful refinancing is crucial to the Group's offshore debt restructuring.

(iv) The Group had been communicating with its onshore domestic bondholders on various options to restructure the onshore bonds. An aggregate principal and interest payables of approximately RMB306.7 million will be due on April 2025, and the Group is negotiating with respective bondholders on the repayment plans and extension options.

(v) 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.

(vi) The Group will continue to take active measures to control administrative costs and maintain containment of capital expenditures.

(vii) 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.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover not less than twelve months from 31 December 2024. 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 31 December 2024. 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) The approval from local authorities to include the Group's property development projects in the project whitelist and the successful obtaining of project financing and/or refinancing as and when needed;

(ii) The successful restructuring of the offshore debts of the Group;

(iii) The successful negotiation with onshore domestic bondholders for restructuring of maturing onshore domestic bonds;

(iv) The successful negotiation with interested parties on the disposal of en-bloc commercial properties, hotels, urban redevelopment projects and non-core property projects; and

(v) The successful disposal 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 IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease liability in a Sale and Lease back*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

Except as described below, the application of the revised HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 "Classification of Liabilities as Current or Non-current" (the "2020 Amendments") and Amendments to HKAS 1 "Non-current Liabilities with Covenants" (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 "Financial Instruments: Presentation".

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transition provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively. The application of the amendments in the current year had no material impact on the consolidated financial statements.

4. ISSUED BUT NOT YET EFFECTIVE HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification Measurement of Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 72*

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

Except for the new and revised HKFRSs mentioned below, the Group anticipates that the application of all other new and revised HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 "Presentation and Disclosure in Financial Statements"

HKFRS 18 "Presentation and Disclosure in Financial Statements", which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 "Presentation of Financial Statements". This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

5. OPERATING SEGMENT INFORMATION

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 during the year are mainly located in Chinese Mainland 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 profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/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 external customers is derived solely from its operations in Chinese Mainland.

During 2024 and 2023, no revenue from transactions with a single external customer amounted to 10% or more of the Group's total revenue.

Year ended 31 December 2024

	Property development *RMB'000*	Property investment *RMB'000*	Hotel operation *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	**9,462,363**	**888,113**	**711,040**	**11,061,516**
Segment results	**(3,168,417)**	**(1,245,831)**	**184,649**	**(4,229,599)**
Reconciliation:				
Interest income and unallocated income				**522,118**
Unallocated expenses				**(1,141,422)**
Finance costs				**(2,929,107)**
Loss before tax				**(7,778,010)**
Income tax expense				**(372,965)**
Loss for the year				**(8,150,975)**
Other segment information:				
Depreciation and amortisation	**(140,875)**	**(21,827)**	**(159,372)**	**(322,074)**
Fair value losses on investment properties, net	—	**(1,890,315)**	—	**(1,890,315)**
Share of profits and losses of:				
Associates	**(175,280)**	—	—	**(175,280)**
Joint ventures	**(882,987)**	—	—	**(882,987)**

Year ended 31 December 2023

	Property development *RMB'000*	Property investment *RMB'000*	Hotel operation *RMB'000*	Total *RMB'000*
Segment revenue:				
Sales to external customers	14,047,330	930,999	828,777	15,807,106
Segment results	(12,405,253)	(1,908,152)	251,095	(14,062,310)
Reconciliation:				
Interest income and unallocated income				677,280
Unallocated expenses				(1,389,185)
Finance costs				(2,852,833)
Loss before tax				(17,627,048)
Income tax expense				(1,352,248)
Loss for the year				(18,979,296)
Other segment information:				
Depreciation and amortisation	(116,615)	(25,402)	(208,887)	(350,904)
Fair value losses on investment properties, net	—	(2,516,081)	—	(2,516,081)
Share of profits and losses of:				
Associates	(199,171)	—	—	(199,171)
Joint ventures	(4,811,431)	—	—	(4,811,431)

6. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue, other income and gains, net is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue:		
Revenue from contracts with customers		
Sale of properties	**9,462,363**	14,047,330
Hotel operation income	**711,040**	828,777
Revenue from other sources		
Gross rental income	**888,113**	930,999
	11,061,516	15,807,106
Other income and gains, net:		
Interest income	**28,045**	277,198
Others	**494,073**	400,082
	522,118	677,280

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2024:

	Property development	**Hotel operation**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Type of revenue recognition:			
Sale of properties	**9,462,363**	**—**	**9,462,363**
Provision of services	**—**	**711,040**	**711,040**
Total revenue from contracts with customers	**9,462,363**	**711,040**	**10,173,403**
Timing of revenue recognition:			
Recognised at a point in time	**8,900,310**	**—**	**8,900,310**
Recognised over time	**562,053**	**711,040**	**1,273,093**
Total revenue from contracts with customers	**9,462,363**	**711,040**	**10,173,403**

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended 31 December 2023:

	Property development *RMB'000*	Hotel operation *RMB'000*	Total *RMB'000*
Type of revenue recognition:			
Sale of properties	14,047,330	—	14,047,330
Provision of services	—	828,777	828,777
Total revenue from contracts with customers	14,047,330	828,777	14,876,107
Timing of revenue recognition:			
Recognised at a point in time	13,506,445	—	13,506,445
Recognised over time	540,885	828,777	1,369,662
Total revenue from contracts with customers	14,047,330	828,777	14,876,107

7. FINANCE COSTS

An analysis of the Group's finance costs from continuing operations is as follows:

	2024 ***RMB'000***	2023 *RMB'000*
Interest on bank and other borrowings	**5,395,183**	5,485,777
Interest on lease liabilities	**5,609**	38,058
Less: Interest capitalised	**(2,471,685)**	(2,671,002)
	2,929,107	2,852,833

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2024	2023
	RMB'000	*RMB'000*
Cost of properties sold	**8,749,299**	18,001,771
Cost of services provided	**423,464**	444,566
Depreciation	**285,876**	317,790
Amortisation of land use rights	**103,465**	78,335
Less: Amount capitalised in assets under construction	**(67,267)**	(45,221)
	36,198	33,114
Employee benefit expenses* (excluding directors' and chief executive's remuneration):		
Wages and salaries	**431,647**	649,386
Share-based compensation expenses	**—**	457
Pension scheme contributions (defined benefit plans)	**28,628**	35,147
	460,275	684,990
Less: Amounts capitalised in assets under construction, properties under development and investment properties under development	**(17,490)**	(143,682)
	442,785	541,308
Foreign exchange gains, net	**(97,607)**	(86,924)
Loss/(gain) on disposal of property, plant and equipment**	**58,792**	(1,487)
Direct operating expenses (including repairs and maintenance arising on rent-earning investment properties)	**98,911**	100,992
Impairment losses recognised for properties under development and completed properties held for sale***	**2,285,419**	2,537,864

* Employee benefit expenses are included in "Selling and marketing expenses" and "Administrative expenses" in the consolidated statement of profit or loss.

** The item is included in "Other income and gains, net" and "Administrative expenses" in the consolidated statement of profit or loss.

*** The item is included in "Other operating expenses, net" in the consolidated statement of profit or loss.

9. INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current — PRC		
Corporate income tax ("**CIT**")	**(655,795)**	(743,328)
Land appreciation tax ("**LAT**")	**(81,790)**	253,287
	(737,585)	(490,041)
Deferred	**364,620**	(862,207)
Total tax charge for the year	**(372,965)**	(1,352,248)

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 years ended 31 December 2024 and 2023.

PRC CIT

PRC CIT in respect of operations in Chinese Mainland has been calculated at the applicable tax rate on the estimated assessable profits for the years ended 31 December 2024 and 2023, based on existing legislation, interpretations and practices in respect thereof.

PRC LAT

PRC LAT is 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.

10. DIVIDENDS

The Board has resolved not to declare any final dividend in respect of the year ended 31 December 2024 (2023: Nil).

11. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 3,418,883,945 (2023: 3,418,744,164) in issue during the year.

For the year ended 31 December 2024, the calculation of the diluted loss per share amount was based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares used in the calculation was the number of ordinary shares in issue during the year, as used in the basic loss per share calculation of 3,418,883,945 (31 December 2023: 3,418,744,164). Diluted loss per share amount for the year ended 31 December 2024 and 2023 was the same as the basic loss per share as the Group had no potentially dilutive ordinary shares in issue during the year.

The calculations of basic and diluted loss per share amounts are based on:

	2024	2023
	RMB'000	*RMB'000*
Loss		
Loss attributable to owners of the Company	**(8,085,373)**	(18,732,972)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year	**3,418,883,945**	3,418,744,164

12. PROPERTY, PLANT AND EQUIPMENT

For the year ended 31 December 2024, the Group had additions of property, plant and equipment at a total cost of approximately RMB479,055,000 (2023: approximately RMB925,735,000).

13. 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, whilst the Group's trading terms with its customers in relation to the provision of rental and other services are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally within 12 months for major customers. An ageing analysis of the trade receivables as at the end of the reporting period is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**260,450**	189,666
7 to 12 months	**5,252**	75,281
Over 1 year	**21,841**	66,700
	287,543	331,647

14. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**13,807,265**	11,732,746
Over 1 year	**5,121,139**	7,669,774
	18,928,404	19,402,520

The trade and bills payables are non-interest-bearing and are normally settled on demand.

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 RMB11,061.5 million in 2024, representing a decrease of 30.0% from approximately RMB15,807.1 million in 2023.

In 2024, the revenue generated from property development, property investment and hotel operation were approximately RMB9,462.4 million, RMB888.1 million and RMB711.0 million, respectively.

Proportionate revenue amounted to approximately RMB15,172.7 million in 2024, representing a decrease of 43.0% from approximately RMB26,604.6 million in 2023.

Property development

Revenue generated from property development decreased by 32.6% to approximately RMB9,462.4 million in 2024 from approximately RMB14,047.3 million in 2023, primarily due to a decrease in the total gross floor area ("**GFA**") delivered to 623,944 sq.m. in 2024 from 924,958 sq.m. in 2023.

The average selling price ("**ASP**") slightly decreased from RMB15,187 per sq.m. in 2023 to RMB15,165 per sq.m. in 2024.

Proportionate revenue generated from property development decreased by 46.1% to approximately RMB13,174.2 million in 2024 from approximately RMB24,450.1 million in 2023, primarily due to a decrease in the total proportionate GFA delivered to 931,209 sq.m. in 2024 from 1,531,453 sq.m. in 2023. The proportionate ASP decreased from RMB15,965 per sq.m. in 2023 to RMB14,147 per sq.m. in 2024.

Property investment

Revenue generated from property investment slightly decreased by 4.6% to approximately RMB888.1 million in 2024 from approximately RMB931.0 million in 2023.

Hotel operation

Revenue generated from hotel operation decreased by 14.2% to approximately RMB711.0 million in 2024 from approximately RMB828.8 million in 2023, primarily due to the disposal of one hotel.

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 cost of construction, cost of obtaining land use rights and capitalised borrowing costs on related borrowed funds during the period of construction.

Cost of sales decreased by 50.3% to approximately RMB9,172.8 million in 2024 from approximately RMB18,446.3 million in 2023, mainly due to the decrease in total GFA delivered in sale of properties and construction cost per sq.m..

Land cost per sq.m. decreased from RMB7,106 in 2023 to RMB5,893 in 2024.

Construction cost per sq.m. decreased from RMB8,922 in 2023 to RMB5,923 in 2024, due to the change in delivery portfolio with different city mix compared with that in 2023.

Proportionate cost of sales decreased by 56.0% to approximately RMB13,441.9 million in 2024 from approximately RMB30,521.5 million in 2023. Proportionate land cost per sq.m. decreased from RMB8,351 in 2023 to RMB6,056 in 2024. Proportionate construction cost per sq.m. decreased from RMB8,636 in 2023 to RMB5,722 in 2024.

Gross Profit/(Loss)

Gross profit of the Group was approximately RMB1,888.8 million in 2024, whereas gross loss of approximately RMB2,639.2 million was recorded in 2023. The increase of gross profit was principally due to the decrease in total cost of sales in 2024.

Other Income and Gains, Net

Other income and gains decreased by 22.9% to approximately RMB522.1 million in 2024 from approximately RMB677.3 million in 2023.

Selling and Marketing Expenses

Selling and marketing expenses of the Group decreased by 34.0% to approximately RMB737.0 million in 2024 from approximately RMB1,116.7 million in 2023, which mainly due to the decrease in sales leading to a reduction in related expenses.

Administrative Expenses

Administrative expenses of the Group decreased by 21.0% to approximately RMB1,288.8 million in 2024 from approximately RMB1,631.0 million in 2023, mainly due to the optimization of corporate structure in order to save expenses.

Other Operating Expenses, Net

The Group reported other operating expenses of approximately RMB2,285.4 million for 2024 (2023: approximately RMB2,537.9 million). This was attributable to impairment losses made on properties developed by the Group.

Fair Value Losses on Investment Properties, Net

The Group reported fair value losses on investment properties of approximately RMB1,890.3 million for 2024 (2023: approximately RMB2,516.1 million). In response to the worsening of the PRC property market, a more prudent approach had been adopted during the revaluation process to reflect the current market condition, resulting in a significant revaluation losses during the year.

Finance Costs

Finance costs of the Group being approximately RMB2,929.1 million in 2024 (2023: approximately RMB2,852.8 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, thus they had not been capitalised.

Share of Profits and Losses of Joint Ventures

The Group recorded a share of losses of joint ventures of approximately RMB883.0 million in 2024 (2023: approximately RMB4,811.4 million).

This was mainly attributable to a decrease in impairment losses made on properties under development and completed properties held for sale.

Income Tax Expense

The Group recorded income tax expense of approximately RMB373.0 million in 2024 (2023: approximately RMB1,352.2 million).

Loss for The Year

The Group reported loss for the year of approximately RMB8,151.0 million in 2024 (2023: approximately RMB18,979.3 million), as a result of the above-mentioned factors.

Liquidity, Financial and Capital Resources

Cash Position

As at 31 December 2024, the carrying amounts of the Group's cash and bank balances were approximately RMB787.4 million (31 December 2023: approximately RMB1,719.4 million).

Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place certain amounts of pre-sales proceeds received at designated bank accounts as guarantee deposits for construction of the relevant properties.

Borrowings and Charges on the Group's Assets

As at 31 December 2024, the Group's bank and other loans, senior notes and domestic corporate bonds were approximately RMB41,083.1 million, RMB28,356.8 million and RMB3,485.2 million respectively. Amongst the bank and other loans, approximately RMB17,556.0 million will be repayable within 1 year, approximately RMB15,998.2 million will be repayable between 2 and 5 years and approximately RMB7,528.9 million will be repayable over 5 years. All of the senior notes have been presented as current liabilities. Amongst the domestic corporate bonds, approximately RMB280.3 million will be repayable within 1 year and approximately RMB3,204.9 million will be repayable between 2 and 5 years.

As at 31 December 2024, the Group's bank and other loans of approximately RMB40,413.0 million and domestic corporate bonds of approximately RMB3,485.2 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 3,024.0 million as at 31 December 2024 which were denominated in Hong Kong dollar of approximately RMB1,856.3 million and denominated in U.S. dollar of approximately RMB1,167.7 million 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 RMB7,579.9 million which were charged at fixed interest rates as at 31 December 2024. The Group's senior notes were denominated in U.S. dollar and charged at fixed interest rates as at 31 December 2024. The Group's domestic corporate bonds were denominated in RMB and charged at fixed interest rates as at 31 December 2024.

Gearing Ratio

The gearing ratio is measured by the net borrowings (total borrowings net of cash and bank balances) over the total equity. As at 31 December 2024, the gearing ratio was 789.6% (31 December 2023: 396.3%).

Risk of Exchange Rate Fluctuation

The Group mainly operates in Chinese Mainland, so most of its revenues and expenses are measured in RMB. In addition, except for the above mentioned, the Company's domestic corporate bonds were denominated 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 the 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.

During 2024, the exchange rates of RMB against the U.S. dollar and the Hong Kong dollar decreased and the Board expects that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group.

Contingent Liabilities

(i) As at 31 December 2024, the Group had the following contingent liabilities relating to guarantees in respect of mortgage facilities for certain purchasers amounting to approximately RMB9,584.7 million (31 December 2023: approximately RMB13,484.3 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 provision has been made in the financial statements as at 31 December 2024 and 2023 for the guarantees.

(ii) As at 31 December 2024, the Group had provided guarantees in respect of certain bank loans for joint ventures, associates and third parties. As at 31 December 2023, the Group had provided guarantees in respect of 1) certain bank loans for joint ventures and associates, and 2) certain bank acceptance bills for third parties.

Market Review

In 2024, the real estate industry continued its in-depth adjustment, showing a phased stabilization trend thanks to the continuous policy support. The central government introduced over 100 easing policies throughout the year, with core cities largely withdrew purchase restrictions. The year-end LPR (Loan Prime Rate) was unexpectedly lowered by 25 basis points. The responsive policy package has slightly improved market confidence, while market differentiation has intensified, with high-tier cities demonstrating greater resilience.

According to data from the National Bureau of Statistics, from January to December 2024, the nationwide property development investment decreased by 10.6% year-on-year to RMB10,028 billion; the sales area of commodity properties decreased by 12.9% year-on-year to 973.85 million sq.m., marking the first time it has fallen below 1 billion sq.m. since 2009; the sales of commodity properties decreased by 17.6% year-on-year to RMB9,675 billion, with demand continuing to weaken and the decline expanding compared to the first half of the year. Available funds for property development enterprises decreased by 17% year-on-year to RMB10,766.1 billion, reflecting the rather severe financial situation of property enterprises. After the implementation of key new policies in the fourth quarter, the transaction volume in first-tier cities rebounded from the trough, showing a "tail-up" pattern, while the new home market still awaits a substantial recovery.

In 2024, China's property market continued to face downward pressure despite local efforts to "increase trade volume by lowering prices". However, signs of market stabilization emerged in the fourth quarter following the central government's responsive policy package after the Political Bureau meeting on 26 September. Stabilizing the housing market has become a key focus of the current central economic work. In the fourth quarter, transaction volumes for both new and second-hand homes showed signs of recovery, with purchasing power gradually spreading from high-tier cities to key cities.

Business Review

Despite the in-depth adjustment of the industry, KWG Group has remained proactive in addressing debt issues, ensuring delivery, and maintaining daily operations.

In 2024, the Group had a total of 147 major projects (excluding residual projects), spanning 42 cities in Chinese Mainland and Hong Kong. The Group's gross pre-sales amounted to RMB10.201 billion for the year, and the pre-sales area was 611,500 sq.m., with an average pre-selling price of RMB16,658 per sq.m. The Guangdong-Hong Kong-Macao Greater Bay Area continued to play a stabilizing role, contributing approximately 67% of the total. The Group's land reserve, in terms of attributable gross floor area, was 12,180,000 sq.m., with an attributable interest ratio of approximately 75%, mainly distributed in high-tier cities such as Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong, and Chengdu.

During the reporting period, key projects such as Guangzhou Landmark Arte Masterpiece, Guangzhou Richmond Greenville, Canton Financial Center, Hong Kong The Corniche, Foshan Oriental Bund, Shenzhen Grand Oasis, continued to contribute to the Company's performance.

In 2024, the Group actively responded to the policy of "guaranteeing delivery of properties and stabilizing people's livelihood". By optimizing product quality and delivery capabilities, the Group delivered approximately 13,000 units of properties with a total gross floor area of approximately 1.235 million sq.m. Among these, key projects such as Guangzhou Landmark Arte Masterpiece, Guangzhou Richmond Greenville have set industry benchmarks with 52 meticulous construction standards.

Investment Properties and Hotels

KWG Group has been deeply focused on the commercial sector for many years, developing a diverse range of mature business segments including shopping malls, office buildings, and hotels. The Group currently owns 36 investment properties, including 14 shopping malls under operation, 9 office buildings, and 13 hotels.

In 2024, the Group's rental income amounted to RMB888 million, decreased by 4.6% year-on-year. Under economic pressure and a decline in consumer spending, the Group's operating properties faced certain challenges. However, with the implementation of strong policies in the fourth quarter, performance improved in the second half of the year. The Group's operating properties are concentrated in the core business districts of first- and second-tier cities, including Guangzhou, Shanghai, Beijing, and Nanning, gaining high market recognition. Among them, Shanghai Hejing Youfang was awarded the "2024 Annual Innovation Performance in Commercial Real Estate Operation" by Guandian.cn "觀點網". In the office building sector, "Guangzhou International Finance Place" was honored as the "Industry Value Benchmark Project" at the China International Fair for Trade in Services (CIFTIS). Meanwhile, "Beijing International Finance Place" and "Shanghai International Metropolis Plaza" were awarded the "New Landmark Award" at the CIFTIS.

Revenue from hotel business amounted to RMB711 million, decreased by 14.2% year-on-year. Despite the economic pressure affecting the hotel business, the Group remains confident in the market's future prospects. After years of in-depth development in the hotel sector and through close cooperation with international hotel management groups, the Group's own brand, The Mulian, has steadily enhanced its brand influence, and the cooperative hotel business has operated robustly. In 2025, the Group expects to add two new hotels of The Mulian in Guangzhou and Chengdu.

Outlook

The Central Economic Work Conference has set the directive for "putting continued efforts to stabilize the real estate market and prevent further declines." The National Housing and Urban-Rural Development Work Conference has clarified the task direction for 2025. It is expected that favorable real estate policies and their intensity will continue to be enhanced. In the next phase, policies are likely to continue focusing on "boosting demand" and "optimizing supply," with accelerated implementation. Meanwhile, the construction of "high-quality housing" and the financing for projects under the "whitelist" are also expected to remain key focal points of policy efforts.

Based on the policy easing environment and implementation efforts, the Group will continue to focus on debt management, strengthen its social responsibilities, and ensure "guaranteeing delivery of properties" and "guaranteeing people's livelihood". Following the latest directives from the Central Economic Work Conference, the Group will further optimize its capital structure and advance debt reduction efforts. It is actively promoting comprehensive debt solutions both at home or abroad, offering multiple options for stakeholders to alleviate the Group's liquidity issues and setting an example in fulfilling our social responsibilities. Looking ahead to the new year, the Group will continue to ensure effective sales and marketing efforts by prioritizing cash collection for sales, and put stepped-up efforts to boost en-bloc sales.

The Group's Property Development Overview

As of 31 December 2024, 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	774	100
2	International Metropolitan Plaza	Guangzhou	Office/commercial	39	50
3	Tian Hui Plaza (including The Riviera and Top Plaza)	Guangzhou	Serviced apartment/office/commercial/hotel	45	33.33
4	KWG Flourishing Biotech Square	Guangzhou	Office/commercial	84	100
5	KWG Skysite	Guangzhou	Villa/serviced apartment/office/commercial/hotel	297	100
6	The Eden	Guangzhou	Residential/commercial	2	50
7	Paradise by Moony Sky	Guangzhou	Villa/hotel	39	100
8	Essence of City	Guangzhou	Residential/villa/commercial	13	100
9	International Commerce Place	Guangzhou	Office/commercial	50	50
10	CFC (including Mayfair and IFE (International Finance Edifice))	Guangzhou	Serviced apartment/office/commercial	9	33.33
11	The Horizon	Guangzhou	Residential/villa/serviced apartment/office/commercial/hotel	14	50
12	Blooming River	Guangzhou	Residential/villa/commercial	41	50
13	Nansha River Paradise	Guangzhou	Residential/commercial	4	50
14	V-city	Guangzhou	Serviced apartment/commercial	123	70
15	Montkam	Guangzhou	Residential/villa	5	30
16	E-city	Guangzhou	Serviced apartment/commercial	439	67
17	The Beryl (Guangzhou Development Area Hotel A Project)	Guangzhou	Villa/serviced apartment/commercial/hotel	11	60
18	The Beryl (Guangzhou Development Area Hotel B Project)	Guangzhou	Villa/serviced apartment/office/commercial	27	100
19	Landmark Arte Masterpiece	Guangzhou	Residential/serviced apartment/commercial	90	100
20	Clover Shades	Guangzhou	Residential/commercial	26	62.5

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest (*'000 sq.m.*)	Interest Attributable to the Group (*%*)
21	The Emerald	Guangzhou	Residential	53	100
22	KWG Biovalley	Guangzhou	Villa/serviced apartment/office/commercial	192	80
23	Longyatt Mansion	Guangzhou	Residential/commercial	70	100
24	Dreams Garden	Guangzhou	Residential/commercial	238	100
25	Lakeside Mansion	Guangzhou	Residential/commercial	300	100
26	Richmond Greenville	Guangzhou	Residential	70	100
27	Guangzhou Nansha Project	Guangzhou	Educational	89	60
28	The Star Garden	Guangzhou	Residential/commercial	194	87.5
29	ONE68	Guangzhou	Serviced apartment/office/commercial/hotel	69	100
30	IFP	Guangzhou	Office/commercial	61	100
31	Four Points by Sheraton Guangzhou, Dongpu	Guangzhou	Hotel	35	100
32	The Mulian Huadu	Guangzhou	Hotel	25	100
33	W Hotel/W Serviced Apartments	Guangzhou	Hotel/serviced apartment	80	100
34	The Mulian Guangzhou	Guangzhou	Hotel	8	100
35	The Sapphire	Suzhou	Residential/serviced apartment/office/commercial/hotel	37	100
36	Suzhou Apex	Suzhou	Residential/serviced apartment/commercial/hotel	127	100
37	Leader Plaza	Suzhou	Serviced apartment/office/commercial	21	100
38	Fortune Plaza	Suzhou	Office/commercial/hotel	18	100
39	Suzhou Jade Garden	Suzhou	Residential/commercial	2	100
40	Orient Aesthetics	Suzhou	Residential/commercial	3	20
41	Swan Harbor Park	Suzhou	Residential/serviced apartment/office/commercial/hotel	88	50
42	Blessedness Seasons	Suzhou	Residential/commercial	3	49
43	The Vision of the World	Chengdu	Residential/serviced apartment/commercial	39	100
44	Chengdu Cosmos	Chengdu	Residential/serviced apartment/office/commercial/hotel	225	100
45	Yunshang Retreat	Chengdu	Residential/villa/serviced apartment/commercial/hotel	570	55
46	The Jadeite	Chengdu	Residential/villa/commercial/hotel	23	100
47	Fragrant Seasons	Beijing	Residential/villa/serviced apartment/commercial	1	100
48	La Villa	Beijing	Residential/villa/commercial	1	50

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
49	Beijing Apex	Beijing	Residential/villa/serviced apartment/commercial	2	50
50	M • Cube	Beijing	Commercial	16	100
51	Uptown Riverside I	Beijing	Serviced apartment/office/ commercial	128	100
52	Uptown Riverside II	Beijing	Serviced apartment/office/ commercial	55	100
53	Rose and Ginkgo Mansion	Beijing	Residential/villa/office/ commercial	27	33
54	The Core of Center (Beijing Niulanshan Complex Project)	Beijing	Residential/villa/commercial/ hotel	186	100
55	New Chang'an Mansion	Beijing	Residential/office/commercial/ hotel	30	100
56	Pearl Coast	Hainan	Residential/villa/commercial/ hotel	89	100
57	Moon Bay	Hainan	Residential/villa/commercial/ hotel	329	100
58	The Cloud Wolrd	Hainan	Villa/commercial	76	100
59	International Metropolis Plaza	Shanghai	Office/commercial	39	100
60	Amazing Bay	Shanghai	Residential/serviced apartment/ office/commercial/hotel	25	50
61	Vision of the World	Shanghai	Residential/serviced apartment/ commercial/hotel	58	51
62	Glory Palace	Shanghai	Residential	3	100
63	KWG Biovalley	Shanghai	Office/commercial	121	90
64	Jinnan New Town	Tianjin	Residential/office/commercial/ hotel	192	25
65	Tianjin The Cosmos	Tianjin	Residential/villa/commercial	174	100
66	Tianjin Apex	Tianjin	Residential/office/commercial	32	100
67	Beautiful and Happy Life	Tianjin	Residential/commercial	38	100
68	Joy Fun City	Tianjin	Residential/commercial	160	60
69	The Core of Center	Nanning	Residential/villa/serviced apartment/commercial/hotel	240	100
70	International Finance Place	Nanning	Office/commercial	57	100
71	Top of World	Nanning	Residential/villa/serviced apartment/commercial/hotel	78	100
72	Fragrant Season	Nanning	Residential/villa/commercial	8	100
73	Impression Discovery Bay I	Nanning	Residential/commercial	1	34
74	Impression Discovery Bay II	Nanning	Residential/commercial	3	34

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
75	Emerald City	Nanning	Residential/serviced apartment/ commercial	254	100
76	The Moon Mansion	Hangzhou	Residential/villa	3	100
77	Sky Ville	Hangzhou	Residential/villa	1	100
78	Puli Oriental	Hangzhou	Residential/commercial	8	50
79	Malus Moon	Hangzhou	Residential/villa/commercial	4	100
80	Precious Mansion	Hangzhou	Residential/office/commercial	35	100
81	Season Mix	Hangzhou	Residential/commercial/hotel	14	25
82	Shine City	Nanjing	Residential/office/commercial	1	50
83	South Bank Palace	Nanjing	Residential/commercial	1	19.75
84	Ruyi Palace	Nanjing	Residential/commercial	1	50
85	Oriental Bund	Foshan	Residential/villa/serviced apartment/commercial/hotel	829	50
86	The Riviera	Foshan	Residential/commercial	10	100
87	Foshan Apex	Foshan	Residential/serviced apartment/ commercial	6	50
88	China Image	Foshan	Residential/commercial	3	34
89	The One	Hefei	Residential/commercial	58	100
90	Park Mansion	Hefei	Residential	4	100
91	The Buttonwood Season I	Ezhou	Residential/villa/commercial	9	100
92	The Buttonwood Season II	Ezhou	Residential/villa/commercial	131	100
93	Exquisite Bay	Xuzhou	Residential/commercial	6	100
94	Fragrant Seasons	Xuzhou	Residential/commercial	11	50
95	Oriental Milestone	Xuzhou	Residential	75	100
96	Majestic Mansion	Jiaxing	Residential/commercial	3	100
97	Star City	Jiaxing	Residential	1	25
98	Noble Peak	Jiaxing	Residential	2	100
99	International Commercial Plaza	Jiaxing	Residential/serviced apartment/ office/commercial/hotel	325	100
100	Top of World Residence I	Taizhou	Residential	2	100
101	Top of World Residence II	Taizhou	Residential/commercial	4	100
102	Linhai Mansion	Taizhou	Residential/commercial	2	100
103	Lead Peak Mansion	Taizhou	Residential/commercial	1	100
104	Emerald the Bay	Taizhou	Residential/serviced apartment/ office/commercial	255	50
105	Jinan Capital of Phoenix	Jinan	Residential/commercial	1	20
106	Jinan Tianchen	Jinan	Residential/commercial	1	20
107	The Inherited Villa	Changshu	Residential	1	25

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest (*'000 sq.m.*)	Interest Attributable to the Group (*%*)
108	The Riviera Chongqing	Chongqing	Residential/commercial/hotel	11	100
109	The Cosmos Chongqing	Chongqing	Residential/serviced apartment/office/commercial/hotel	213	100
110	The Moon Mansion	Chongqing	Residential/commercial	1	39
111	Mansion of Jasper	Chongqing	Residential/commercial	1	50
112	Jade Moon Villa	Chongqing	Residential/commercial	1	50
113	Jinzhu Tianyi Huayuan	Taicang	Residential	10	100
114	Oriental Mansion	Wuxi	Residential/commercial	1	20
115	Exquisite Palace	Wuxi	Residential/commercial	3	45
116	Vision of the World	Zhaoqing	Residential/commercial	84	100
117	River View Mansion	Zhaoqing	Residential/commercial	1	33
118	The Moon Mansion	Zhongshan	Residential/commercial	31	50
119	Serenity in Prosperity	Nantong	Residential/villa/commercial	5	51
120	Oriental Beauty	Nantong	Residential	1	70
121	The Moon Mansion	Liuzhou	Residential/villa/commercial	4	100
122	Fortunes Season	Liuzhou	Residential/commercial/hotel/educational	869	100
123	Shenzhen Bantian Project	Shenzhen	Serviced apartment/office/commercial/hotel	61	51
124	KWG Topchain City Center	Shenzhen	Serviced apartment/office/commercial	1	51
125	Grand Oasis	Shenzhen	Serviced apartment/office/commercial/hotel	7	55
126	Shenzhen Longhua Project	Shenzhen	Residential/office/commercial/industrial/educational	79	50
127	Shaoxing Project	Shaoxing	Residential/villa	1	24.9
128	Skyline Seasons	Huizhou	Residential/commercial	203	100
129	Huizhou Longmen Project-Educational#[2019]011	Huizhou	Educational	11	100
130	Huizhou Longmen Project-Educational#[2019]014	Huizhou	Educational	61	100
131	Jiangmen Apex International	Jiangmen	Residential/serviced apartment/commercial	29	100
132	Cullinan Mansion	Wenzhou	Residential/commercial	2	100
133	Art Wanderland	Dongguan	Residential/commercial	3	12.5
134	Center Mansion	Dongguan	Residential/villa/commercial	6	20
135	Yangzhou Apex	Yangzhou	Residential/commercial	82	100
136	Parkview Palace	Ningbo	Residential	2	49
137	Meishan Apex	Meishan	Residential/commercial	1	100

No.	Project	District	Type of Product	Total GFA Attributable to the Group's Interest *('000 sq.m.)*	Interest Attributable to the Group *(%)*
138	River State	Meishan	Residential/commercial	58	34
139	Chenzhou Wangxian Eco-tourism Project	Chenzhou	Residential/villa	61	50
140	KWG Tusholdings Ice Snow	Wuzhou	Residential/commercial	233	100
141	Meet	Xi'an	Serviced apartment/commercial/hotel	12	100
142	Salar de Uyuni	Zhaotong	Residential/commercial/hotel	159	67.11
143	Salar de Uyuni Guan Lake [Phase 2]	Zhaotong	Residential/Commercial	87	70.56
144	Salar de Uyuni Guan Lake [Phase 1]	Zhaotong	Residential/Commercial	112	70.56
145	KWG Haya City	Yancheng	Residential/serviced apartment/commercial/hotel	554	100
146	Phoenix International	Fuzhou	Serviced apartment/office/commercial	47	22.4
147	The Corniche (formerly known as Hong Kong Ap Lei Chau Project)	Hong Kong	Residential	32	50

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2024, the Group employed a total of approximately 1,800 employees (31 December 2023: approximately 2,100). Employee benefit expense (excluding Directors' and chief executive's remuneration) of the Group incurred was approximately RMB460.3 million during the year ended 31 December 2024. 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 option scheme and the share award scheme in order to recognise 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.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

ANNUAL GENERAL MEETING

The forthcoming annual general meeting (the "**2025 AGM**") will be held on Tuesday, 3 June 2025. A circular containing the information required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), together with the notice of the 2025 AGM, will be published on the websites of the Company (www.kwggroupholdings.com) and the HKEXnews (www.hkexnews.hk), and despatched to the shareholders of the Company (the "**Shareholders**") in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the Shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025 , both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2025 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 28 May 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions of the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2024.

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 year ended 31 December 2024, 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 C.5.7 of Part 2 of the CG Code stipulates that if a substantial shareholder or a director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should be dealt with by a physical board meeting rather than a written resolution. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that board meeting.

  During the year, the Board approved the continuing connected transactions in relation to the renewal of leasing of properties to Guangzhou Kai Chuang Business Investments Group Company Limited* (廣州凱創商務投資集團有限公司) ("**Guangzhou Kai Chuang**") by way of passing the written resolutions. Mr. KONG Jiantao is the executive Director and chief executive officer of the Company, and also the ultimate beneficial owner of Guangzhou Kai Chuang. Therefore, Mr. KONG Jiantao was regarded as having material interests therein. Please refer to the Company's announcements dated 16 April 2024 and 2 July 2024, respectively, for details.

  The Board considered that (1) the terms of the above transactions are on normal commercial terms or better, and the relevant terms of the agreements for the transactions (including the relevant annual caps) are fair and reasonable, and are in the interests of the Company and the shareholders of the Company (the "**Shareholders**") as a whole; (2) the relevant Director have abstained from voting on the relevant resolutions of the above transactions; and (3) the adoption of written resolutions would facilitate and maximize the effectiveness of decision-making and implementation. The Board shall nevertheless review its board meeting arrangement from time to time to ensure the appropriate action is being taken to comply with the requirements under the CG Code.

- Following the resignation of Mr. LEE Ka Sze, Carmelo on 1 March 2024, the Company failed to meet the requirements of (i) Rule 3.10(1) of the Listing Rules that the Board must include at least three independent non-executive Directors; and (ii) Rule 3.21 of the Listing Rules that the audit committee of the Company (the "**Audit Committee**") must comprise a minimum of three members.

  After the appointment of Ms. WONG Man Ming, Melinda on 1 April 2024, the Company is in compliance with the requirements of Rule 3.10(1) and Rule 3.21 of 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 5 June 2024, 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.

AUDIT COMMITTEE

The Audit Committee comprises three members who are independent non-executive Directors for the purposes of reviewing and monitoring the Group's financial reporting procedures and risk management (including but not limited to the business, operation as well as environmental, social and governance related risks) and internal control systems. The Audit Committee has reviewed the unaudited annual results for the year ended 31 December 2024, risk management framework, internal control systems and other functions as set out in its terms of reference together with the participation of the management.

SCOPE OF WORK OF INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by Prism Hong Kong Limited ("**Prism**"), to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024. The work performed by Prism in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Prism on the preliminary announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report proposed to be issued by the independent auditor of the Company:

Material uncertainty related to the going concern

As set out in note 2.1 to the consolidated financial statements, which states that the Group incurred a net loss of approximately RMB8,150,975,000 for the year ended 31 December 2024, and as of that date, the Group had net current liabilities of approximately RMB37,649,464,000, the Group's bank and other borrowings of approximately RMB46,193,153,000 that were repayable within one year while its cash and bank balances amounted to approximately RMB787,445,000. In addition, as at 31 December 2024 and up to the date of approval of the consolidated financial statements, the Group did not repay the principal and interest payables of several USD denominated senior notes and bank and other borrowings. As a result, such non-repayment has constituted an event of default or cross default of various borrowings pursuant to the terms and conditions of respective agreements. The aggregate principal amount and interest payables of the said USD denominated senior notes and bank and other borrowings in default or cross default were approximately RMB41,073,253,000 as at 31 December 2024.

This condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have considered the measures being taken by the Group, and are of the opinion that the Group would be able to continue as going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter.

ANNUAL REPORT

The 2024 annual report containing all the information required by the Listing Rules will be published on the websites of the Company (www.kwggroupholdings.com) and the HKEXnews (www.hkexnews.hk) and despatched to the Shareholders in due course.

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

Hong Kong, 28 March 2025

As at the date of this announcement, the Board comprises seven Directors, of whom Mr. KONG Jianmin (Chairman), Mr. KONG Jiantao (Chief Executive Officer), Mr. KONG Jiannan and Mr. CAI Fengjia are executive Directors; and Mr. TAM Chun Fai, Mr. LAW Yiu Wing, Patrick and Ms. WONG Man Ming, Melinda are independent non-executive Directors.