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KWG Living Group Holdings Limited

合景悠活集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3913)

PROFIT WARNING

This announcement is made by KWG Living Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 “**Director(s)**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2024 (the “**Year**”) and information currently available to the Board, the Group is expected to record a net loss of not more than approximately RMB560 million for the Year, as compared with the net profit of approximately RMB62.3 million for the year ended 31 December 2023.

The Board considers that the expected net loss recorded for the Year was primarily attributable to the following reasons: (i) an impairment of not more than RMB715 million has been made for the goodwill and other intangible assets of the Group. It was mainly because certain contracts of certain subsidiaries acquired by the Group in previous years could not be renewed as a result of intense market competition. The expansion of new customers base of these subsidiaries also fell short of expectations, which coupled with the increase in cost for service quality enhancements, led to a decrease in revenue and profits for such subsidiaries. Despite a decrease in profits recorded by such subsidiaries, these subsidiaries still recorded net profit during the Year; and (ii) an impairment provision of not more than RMB285 million has been made for the trade receivables of the Group. It was mainly due to the continuous downturn of the real estate industry in the PRC and the significant changes in the market environment including weakened demand and downward pressure on housing prices which posed difficulties on the overall business environment, leading to slow recovery of trade

receivables owed to the Group. Therefore, the Company prudently assessed the amount of provision for impairment of trade receivables and made reasonable accounting estimates.

The Company is still in the process of preparing and finalizing the annual results of the Group for the Year, the information contained in this announcement is only a preliminary assessment by the Board with reference to the draft unaudited consolidated management accounts of the Group for the Year and the information currently available to the Board, which has not been audited by the Company's auditors or reviewed by the audit committee of the Company, and therefore may be subject to adjustments as appropriate. Shareholders and potential investors are advised to read carefully the annual results announcement for the Year of the Group, which is expected to be published by the end of March 2025.

Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

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

Hong Kong, 14 March 2025

As at the date of this announcement, the Board of the Company comprises Mr. KONG Jianmin (Chairman) as Non-executive Director; Mr. KONG Jiannan and Ms. YANG Jingbo as Executive Directors; and Ms. LIU Xiaolan, Mr. FUNG Che Wai, Anthony and Ms. NG Yi Kum as Independent Non-executive Directors.