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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 and Debt Stock Codes: 40683 and 40117)**

## **SIGNIFICANT PROGRESS OF OFFSHORE DEBT RESTRUCTURING**

This announcement is made by KWG Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) under Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the Company’s announcements dated 14 May 2023, 15 May 2023, 6 July 2023, 7 December 2023, 8 March 2024, 12 June 2024, 16 September 2024, 12 February 2025, 7 March 2025, 13 August 2025, 22 October 2025, 3 December 2025 and 8 December 2025 (the “**Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as those defined in the Announcements, as the case may be.

### **I. UPDATE ON OFFSHORE DEBT RESTRUCTURING**

The Group would like to provide an update to the market on the significant progress made regarding the restructuring of its offshore indebtedness (the “**Restructuring**”).

#### **1. Significant Progress of the Restructuring**

Over the past few months, the Company and members of the Ad Hoc Group (the “**AHG**”), together with their respective advisers, have been engaged in constructive dialogue towards a consensual Restructuring.

The Company is pleased to announce that it has reached an agreement in principle with the AHG on the key terms of a holistic restructuring proposal (the “**Restructuring Proposal**”), subject to definitive terms and documentation to be further negotiated and agreed with the AHG. Based on the information currently available to the Company, the members forming the AHG collectively hold or control over 25.8% of the aggregate outstanding principal amount of the In-Scope Debts (as defined below). This is a significant milestone for the Company in its implementation of the Restructuring and the Company would like to express its gratitude to the AHG and its advisors for their continuing support and engagement in the Company’s ongoing process.

## 2. **Implementation of the Restructuring**

The Company intends to implement the Restructuring through a scheme of arrangement in Hong Kong 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.

A scheme of arrangement is a statutory mechanism which allows the relevant court to sanction a “compromise or arrangement” which has been voted upon by the relevant classes of creditors and approved by the required majorities. It is not an insolvency procedure.

## 3. **Key Features of the Restructuring Proposal**

### *In-Scope Debts*

The Restructuring Proposal addresses the Company’s offshore indebtedness under US\$3.95 billion senior notes, US\$380 million syndicated bank loans and US\$334 million certain other loan facilities borrowed or guaranteed by the Company (together, the “**In-Scope Debts**”).

### *Restructuring Consideration*

The Restructuring Proposal contemplates that the holders/lenders under the In-Scope Debts (collectively, the “**Scheme Creditors**”) will have two (2) economic options (each an “**Option**” and collectively, the “**Options**”) to convert their In-Scope Debts into the following (subject to certain adjustments and reallocation mechanisms):

- (i) **Option 1**: For every US\$100 of the principal amount of the In-Scope Debts held by a Scheme Creditor which elected and/or are allocated to Option 1, US\$0.87 will be converted into cash, US\$29.0 will be converted into a zero-coupon exchangeable note (the “**ALC Notes**”) which will have the economic benefit from a property development project in Ap Lei Chau,

Hong Kong (the “**ALC Project**”), US\$20.0 will be converted into zero-coupon mandatory convertible bonds (the “**MCBs**”) with the same terms as Option 2, and the remaining principal amount will be cancelled entirely. The maximum amount of principal amount of the In-Scope Debts that can be allocated to Option 1 is US\$1.38 billion; and

- (ii) **Option 2**: 100.0% of the principal amount of the In-Scope Debts held by a Scheme Creditor which elected and/or are allocated to Option 2 will be converted into the MCBs. Holders of the MCBs can voluntarily convert their MCBs into newly issued shares of the Company at a conversion price of HK\$1.55 per share. All outstanding MCBs will be converted into newly issued shares of the Company on the maturity date (being the date falling 2 years after the Restructuring Effective Date) (“**Mandatory Conversion**”), subject to certain suspension events which would suspend the Mandatory Conversion.

Scheme Creditors’ receipt of the Restructuring Consideration shall be subject to the shareholding structure stability arrangement as mentioned below.

#### ***ALC Notes***

The ALC Notes (maximum principal amount of US\$400.2 million) will be issued by a special purpose vehicle that is wholly owned by the Company (the “**Note SPV**”). The ALC Notes have an initial tenor of 6 years from the Restructuring Effective Date and may be automatically extended up to 8 years from the Restructuring Effective Date (the “**Final Maturity Date**”) if the remaining outstanding principal amount of the ALC Notes exceeds US\$50 million on the respective maturity dates. All outstanding ALC Notes will be converted into newly issued common shares of the Note SPV upon occurrence of certain triggering events. In addition, the holders of the ALC Notes will benefit from a limited guarantee from certain intermediate holding companies of certain sizable property development projects in the PRC in an amount equal to the lower of (1) the outstanding principal amount of the ALC Notes on the Final Maturity Date less US\$50 million and (2) US\$15 million, which shall only become effective automatically upon the event that the outstanding principal amount of the ALC Notes exceeds US\$50 million on the Final Maturity Date. On or prior to the Restructuring Effective Date, the Company shall enter into a project management agreement with the Note SPV which allows the Company to receive certain management fees.

A special purpose vehicle (the “**Mezzanine SPV**”) which is wholly and directly owned by the Note SPV will be established to borrow a mezzanine loan of approximately US\$60 million in principal amount (the “**Mezzanine Loan**”) from the lender(s) of the Mezzanine Loan. The net proceeds of the Mezzanine Loan will be used to pay the upfront cash in Option 1, restructuring costs and expenses and fund general working capital of the Group.

For the avoidance of doubt, the Mezzanine Loan shall have the priority and first ranking in right of payment from the ALC Project.

The ALC Notes and the Mezzanine Loan will be credit enhanced by certain share and account charges, security over certain project shareholder loans and/or certain negative pledges and non-disposal undertakings, in each case, in connection with the Group’s attributable interest in the ALC Project, subject to any necessary consent from other shareholder of the ALC Project (if applicable).

### ***Shareholding Structure Stability Arrangement***

In order to maintain a stable shareholding structure, the terms of the Restructuring shall require Scheme Creditors to direct that, for every US\$100 in principal amount of the MCBs attributable to the Scheme Creditors (under both Option 1 and Option 2), US\$27 out of those MCBs will instead be issued to the chairman of the Company (the “**Chairman**”) or his designee(s) (the “**Designee(s)**”), rather than to the Scheme Creditors who would have otherwise been entitled to receive such MCBs under the provisions of the section entitled “Restructuring Consideration” above.

The Chairman and/or his Designee(s) shall not sell or otherwise dispose of any MCBs or shares converted from the MCBs so issued, in each case, until the trading day immediately following the earlier of the occurrence of (1) the first 30 trading day period during which the trading price of the shares of the Company exceeds HK\$2.12 per share for 10 of the 30 trading days during such period; and (2) 42 months from the Restructuring Effective Date.

### ***Rights Issue***

The Company shall, as part of the Restructuring, conduct a rights issue to be implemented prior to the Restructuring Effective Date (the “**Rights Issue**”). The proceeds arising from the Rights Issue shall be applied towards payment of the fees in connection with the Restructuring.

### ***Contribution of the Chairman and/or his Family Member(s)***

In support of the Restructuring, the Chairman and/or his family member(s) will provide new money injection up to US\$10 million (“**New Money**”). The New Money may be provided in the form of equity or junior debt, subject to further negotiation with the AHG.

### ***Management Incentive Plan***

The Company shall adopt a new share award scheme whereby new shares will be granted to selected management, directors and/or employees of the Group which would provide the selected parties with up to a maximum of 3% of the total number of the shares of the Company (calculated on a fully diluted and as-converted basis).

### ***Consent Fee***

A consent fee is considered to be provided to the Scheme Creditors who support the Restructuring Proposal in accordance with the terms of a restructuring support agreement to be entered into between the Company and the supporting Scheme Creditors.

**For the avoidance of doubt, as at the date of this announcement, the Company is still in negotiations with the AHG on definitive terms on the Restructuring Proposal and the parties have not entered into any legally binding agreement in respect of the same.** The Company expects to continue the proactive and constructive dialogue and maintain a positive momentum with the Scheme Creditors with a view to documenting the terms of the Restructuring Proposal as soon as practical by way of a detailed term sheet and a restructuring support agreement in form and substance satisfactory to the AHG.

In this regard, the Company will continue to provide material updates on the process to all stakeholders as and when appropriate and invite the holders and/or lenders of the In-Scope Debts to accede to the restructuring support agreement once it is formally launched.

## II. GENERAL

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

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material development on the Restructuring as and when appropriate.

By order of the board of directors of  
**KWG Group Holdings Limited**  
**KONG Jianmin**  
*Chairman*

Hong Kong, 23 February 2026

*As at the date of this announcement, the board of directors of the Company 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 of the Company; and Mr. TAM Chun Fai, Mr. LAW Yiu Wing, Patrick and Ms. WONG Man Ming, Melinda are independent non-executive directors of the Company.*