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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 (the “**Board**”) of directors (the “**Director(s)**”) of the Company 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 six months ended 30 June 2025 (the “**Period**”) and information currently available to the Board, the Group is expected to record a net loss of not more than approximately RMB280 million for the Period, as compared with the net profit of approximately RMB69.9 million for the six months ended 30 June 2024.

The Board considers that the expected net loss recorded for the Period was primarily attributable to the following reasons:

- (i) an impairment provision of not more than RMB238 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;

- (ii) a reduction of the deferred tax assets of the Group leading to income tax expenses of not more than RMB133 million being charged for the Period. Such reduction was mainly due to the continuous pressure on the macroeconomic environment leading to continuous increase in impairment provision on trade receivables. The Group reduced the carrying amount of deferred tax assets in certain subsidiaries of the Group, which the Group expected that such subsidiaries are not likely to generate sufficient taxable profit in future periods to utilise the benefits of these part of deferred tax assets; and
- (iii) an impairment of not more than RMB114 million has been made for the goodwill and property, plant and equipment of the Group. It was mainly because certain contracts of certain subsidiaries acquired by the Group in previous periods 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 operating profits for such subsidiaries. Despite a decrease in operating profits recorded by such subsidiaries, these subsidiaries still recorded net operating profit during the Period.

The Company is still in the process of preparing and finalising the interim results of the Group for the Period, 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 Period and the information currently available to the Board, and is not based on any figures or data which have been audited or reviewed by the auditors or 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 Company's interim results announcement for the Period which is expected to be published in August 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, 18 August 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 Mr. CHEN Wende as Executive Directors; and Ms. LIU Xiaolan, Mr. FUNG Che Wai, Anthony and Ms. NG Yi Kum as Independent Non-executive Directors.*