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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)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by KWG Living Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors of the Company (the “**Directors**”) wishes to provide the shareholders of the Company (the “**Shareholders**”) and potential investors with the latest business development of the Group.

As of 31 December 2020, the Group’s gross floor area (“**GFA**”) under management had exceeded 40 million square metres, of which more than 50% were the property management services provided to third party developers.

Based in the Guangdong-Hong Kong-Macao Greater Bay Area, the Group has a national perspective and pursues a balanced nationwide presence covering the entire industry chain. The Group has strong capabilities in expansion, mergers and acquisitions, and is actively engaged in ongoing expansion and mergers and acquisitions. The Group’s GFA under management had increased significantly, almost doubling from 21.6 million square metres at the end of 2019 to over 40 million square metres at the end of 2020, demonstrating the strong growth momentum of the Group. The Group has built a sound brand by virtue of its high-quality services. The successful listing of the Company’s shares on The Hong Kong Stock Exchange Limited (the “**Listing**”) has further enhanced the Group’s reputation in the merger and acquisition market, which has facilitated its mergers and acquisitions. Since the Listing, the Group’s mergers and acquisitions have continued to materialise with the successful completion of the acquisition of 80% equity interests in 廣州市潤通物業管理有限公司 (Guangzhou City Runtong Property Management Company Limited*) and the entering into of an agreement in relation to the acquisition of 80% equity interests in 雪松智聯科技集團有限

公司 (Cedar Technology Group Co., Ltd.*) (“**Cedar**”) (the “**Acquisition**”), demonstrating the Group’s multiple strengths such as strong and effective capabilities in the execution of mergers and acquisitions and extensive experience. Following completion of the Acquisition, the Group is expected to make further major progress in scale expansion with its GFA under management increasing by 2 times from over 40 million square metres at the end of 2020 to over 120 million square metres in a leap-frog growth. The number of projects under management will be accordingly increased to approximately 1,300 with a broader geographic coverage. As a result of the Acquisition, it is expected that the Group’s GFA under management will exceed the original target for this year. As such, the Group has decided to further raise the targeted GFA under management for 2021 to 160 million square metres. The increased portions of the revised target are primarily arisen from the active external expansion and merger and acquisition strategy of the Group, the capacity supplement from external expansion through acquiring enterprises such as Cedar as well as the continuing delivery of the projects of KWG Group Holdings Limited (“**KWG Group**”). Hence, the Group is confident in accomplishing its revised annual target.

Apart from the sharp growth in GFA under management, accelerated expansion in size and improved business presence for the Group through mergers and acquisitions, the integration will also generate greater synergies for the Group and the acquired companies and enhance the Group’s overall profitability. The mergers and acquisitions will not only strengthen the Group’s capacity to expand markets and generally increase its market shares, but will also enable the Group to increase the provision of more profitable value-added services and help the Group to achieve rapid growth in revenue from a range of operating services through the integration of resources. Meanwhile, through integration on various fronts, the Group could achieve labour cost savings and improve its efficiency. Moreover, the combined force fostered through branding interaction will help the Group to improve its brand influence in the property industry and substantially enhance its competitive edge in business expansion or tenders, whilst laying a solid foundation for its large-scale and specialised development in the future.

To achieve the revised annual target of GFA under management, the Group will leverage its increased brand recognition after the Listing and actively explore merger and acquisition targets and strategic investments with potentials by continuing excellent marketing expansion capability of its management team and strong execution ability in mergers and acquisitions with proven results. Coupled with benefits derived from the abundant reserves of KWG Group, the Group is confident that it would achieve rapid expansion and coverage during the year and realise ongoing significant growth in terms of GFA under management and revenue.

As a leading comprehensive property management service provider in China, the Group will also continue to diversify its value-added services and upgrade its intelligent system in addition to seeking mergers and acquisitions, so as to further improve operating efficiency and customer experience. This will enable the Group to continue enhancing its overall competitiveness as it strives to achieve its goal of growing into a national intelligent service provider with a comprehensive business profile covering the entire industrial chain.

Shareholders and potential investors should note that the information disclosed in this announcement is based on the preliminary estimate and assessment of the Directors after taking into account the information currently available to the management of the Group. Under no circumstances should it be construed as statements, reference or calculation basis of income or profit to be generated by the Group or any financial performance of the Group. Shareholders and potential investors are advised to exercise caution and avoid undue reliance of any data set out in this announcement.

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.

** for identification purpose only*

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

Hong Kong, 24 January 2021

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