



NOTICE TO HOLDERS

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE THE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

If you have recently sold or otherwise transferred your holding(s) of Notes (as defined below), you should immediately forward this notice to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Notes, you should retain a copy of this notice and consult the stockbroker, bank or other agent through whom the sale or transfer was effected as to the action you should take.

September 7, 2023

KWG GROUP HOLDINGS LIMITED (the “Company”)

7.40% Senior Notes due 2024 (the “Notes”)
(ISIN: XS2034561584; Common Code: 203456158)

Reference is made to the indenture dated July 29, 2019 (as supplemented or amended from time to time, the “**Indenture**”) by and among the Company, the Subsidiary Guarantors listed in Schedule I thereto and Citicorp International Limited, as trustee (the “**Trustee**”), governing the Notes.

Capitalized terms used but not defined in this notice have the meanings given to such terms in the Indenture.

Non-payment of interest

NOTICE IS HEREBY GIVEN to the Holders that the Company and the Subsidiary Guarantors have not made payment of interest that was due on September 5, 2023 pursuant to the Indenture governing the Notes.

Section 6.01(b) (*Events of Default*) of the Indenture provides that an Event of Default occurs if there is a “*default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days*”.

Company’s stock exchange announcement

NOTICE IS HEREBY FURTHER GIVEN to the Holders that the Company made an announcement on The Stock Exchange of Hong Kong Limited dated July 6, 2023 (the “**Announcement**”), amongst others, that:

- (1) the Company and its subsidiaries (the “**Group**”) have concluded that the Group should immediately explore a holistic solution (the “**Holistic Solution**”) to the current offshore debts situation to secure the sustainable operations of the Group for the benefit of all of its stakeholders; and

(2) the Company has appointed Alvarez & Marsal Corporate Finance Limited to assess the Group's capital structure, evaluate the liquidity of the Group and explore all feasible solutions to ease the current liquidity issue and reach an optimal Holistic Solution for all the stakeholders as soon as possible.

A copy of the Announcement is attached as Annex A hereto.

The Trustee provides this notice for the information of Holders but makes no representation as to the accuracy or completeness thereof and cannot accept any liability for any loss caused by any inaccuracy therein. Holders should monitor sources of information (including stock exchange announcements of the Company) themselves and the Trustee accepts no obligation or duty to do so on their behalf. The Trustee makes no recommendations and gives no legal or investment advice herein or as to the Notes generally. Holders should take and rely on their own independent legal and financial advice, and may not rely on advice or information provided to the Trustee, statements as to the legal position included in notices issued by the Trustee relating to the Notes or otherwise or the views of the Trustee expressed herein or otherwise.

The Trustee expressly reserves its rights under the Indenture, including without limitation, any right to recover in full its fees and costs (including, without limitation, fees and costs incurred or to be incurred by the Trustee in performing its duties, indemnities owing to or to become owing to the Trustee, compensation for the Trustee's time spent, and reimbursement for the fees and expenses of legal counsel and other agents and advisers it employs in performing its duties or to pursue remedies) and its rights, prior to exercising any rights or powers in connection with the Indenture at the request or direction of any Holder of the Notes to receive security, prefunding and/or indemnity satisfactory to it against all costs, expenses, and liabilities that might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

The ISIN and Common Code for the Notes appearing herein have been included solely for the convenience of the Holders. Citicorp International Limited assumes no responsibility for the selection or use of such number. No representation has been made as to the correctness or accuracy of such number, either as printed on the Notes or as contained in this notice.

This notice is given by

CITICORP INTERNATIONAL LIMITED

in its capacity as Trustee of the 7.40% Senior Notes due 2024

ANNEX A

Company's stock exchange announcement dated July 6, 2023

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 5008, 5607,
5811, 40117, 40338, 40465 and 40683)**

UPDATE ON OFFSHORE DEBT RESTRUCTURING APPOINTMENT OF FINANCIAL ADVISOR

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

References are made to the announcements of the Company dated 14 May 2023 and 15 May 2023 (the “**Announcements**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

APPOINTMENT OF FINANCIAL ADVISOR

As disclosed in the announcement of the Company dated 14 May 2023, an event of default under the terms of various debt securities of the Company has occurred. In light of the existing challenges faced by the Group, the details of which are disclosed in the announcement of the Company dated 14 May 2023, the Group has concluded that it should immediately explore a holistic solution (the “**Holistic Solution**”) to the current offshore debts situation to secure the sustainable operations of the Group for the benefit of all of its stakeholders.

Accordingly, as a first step in promoting the Holistic Solution, the Company has appointed Alvarez & Marsal Corporate Finance Limited (“**Alvarez & Marsal**”) to assess the Group’s capital structure, evaluate the liquidity of the Group and explore all feasible solutions to ease the current liquidity issue and reach an optimal Holistic Solution for all the stakeholders as soon as possible.

The Company will maintain active communications with creditors and will uphold the principles of equitability and fairness in the seeking of the Holistic Solution. The Company will update the market as soon as practicable on any material developments.

Offshore creditors of the Company may contact representatives of the financial advisor of the Company (whose contact details are as follows) in respect of the progress of the Holistic Solution:

Alvarez & Marsal Corporate Finance Limited

Address: Room 405-7, 4/F, St. George's Building, 2 Ice House Street, Central,
Hong Kong

Telephone: +852 3102 2600

Email: ProjectReborn@alvarezandmarsal.com

The Company looks forward to engaging and working with the offshore creditors and calls for their patience, understanding and support in quest for a holistic solution for the offshore debts as a whole with the Company mutually to address the industry-wide issue together.

The implementation of any holistic solution to the offshore debt issue will be subject to many factors beyond the control of the Company. As there is no assurance that any holistic solution will be successfully implemented, holders of securities of the Company and other investors of the Company are (i) advised not to rely solely on the information contained in this announcement or any other announcements as may be issued by the Company from time to time; and (ii) reminded to consider the related risks and exercise caution when dealing in the securities of the Company. When in doubt, holders of securities and other investors of the Company are advised to seek professional advice from their own professional or financial advisors.

CONTINUED SUSPENSION OF SENIOR NOTES

As disclosed in the announcement of the Company dated 15 May 2023, at the request of the Company, trading of each of the September 2023 Notes, the March 2024 Notes, the November 2024 Notes, the August 2025 Notes, the February 2026 Notes, the August 2026 Notes and the January 2027 Notes on the Stock Exchange have been suspended with effect from 9:00 a.m. on 16 May 2023 and will remain suspended until further notice.

Shareholders of the Company and other investors are reminded to consider the related risks and exercise caution when dealing in the securities of the Company, and to seek professional advice from their own professional or financial advisers when in doubt.

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

Hong Kong, 6 July 2023

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. LEE Ka Sze, Carmelo, Mr. TAM Chun Fai and Mr. LAW Yiu Wing, Patrick are independent non-executive Directors.