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Kaisa Prosperity Holdings Limited
佳兆業美好集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2168)

SUPPLEMENTAL ANNOUNCEMENT TO THE 2019 ANNUAL REPORT

Reference is made to the annual report for the year ended 31 December 2019 (the "**2019 Annual Report**") of Kaisa Prosperity Holdings Limited (the "**Company**") published on 27 April 2020. Unless otherwise stated, capitalised term used herein shall have the same meanings as those defined in 2019 Annual Report.

The Company would like to provide the following additional information in relation to:

(1) USE OF PROCEEDS FROM THE LISTING OF THE SHARES OF THE COMPANY (THE "SHARES") IN DECEMBER 2018

The Company raised Net Proceeds of approximately HK$262.1 million (equivalent to approximately RMB230.7 million) from the listing of the Shares in December 2018. During the year ended 31 December 2019, RMB96.9 million of the Net Proceeds was utilised as follows.

Intended use of Net Proceeds as stated in the prospectus (the "Prospectus") of the Company dated 26 November 2018	Planned use of Net Proceeds *RMB in million*	Actual use of Net Proceeds during 2018 *RMB in million*	Unutilised Net Proceeds as at 1 January 2019 *RMB in million*	Actual use of Net Proceeds during 2019 *RMB in million*	Unutilised Net Proceeds as at 31 December 2019 *RMB in million*
(1) Acquire or invest in other property management companies	115.3	–	115.3	36.6 used as intended for the acquisition of 60% of Jiaxing Dashu 6.8 used as intended for the acquisition of 51% of Jiangsu Hengyuan	71.9

Intended use of Net Proceeds as stated in the prospectus (the "Prospectus") of the Company dated 26 November 2018	Planned use of Net Proceeds *RMB in million*	Actual use of Net Proceeds during 2018 *RMB in million*	Unutilised Net Proceeds as at 1 January 2019 *RMB in million*	Actual use of Net Proceeds during 2019 *RMB in million*	Unutilised Net Proceeds as at 31 December 2019 *RMB in million*
(2) Acquire or invest in companies engaged in property management related business	46.1	–	46.1	–	46.1
(3) Promote the K Life mobile APP and the community value-added products and services	23.1	–	23.1	18.3 used as intended for supporting the upgrade of K Life mobile APP and promotion of the community value-added services	4.8
(4) Develop management digitalization service specialization	23.1	–	23.1	12.1 used as intended for the development and upgrade of the K Service platform and digital equipments	11.0
(5) General working capital	23.1	–	23.1	23.1 used as intended	–
	230.7	–	230.7	96.9	133.8

It is expected that the unutilised Net Proceeds will be applied in a manner consistent with the disclosure in the Prospectus.

With respect to the Net Proceeds for the usage set out in items (3) and (4) above, it is expected that the Net Proceeds will be utilised on or before 31 December 2021. With respect to the Net Proceeds for the usage set out in items (1) and (2) above, it is expected that the Net Proceeds will be utilised before 31 December 2022. Given the impacts of the COVID-19 on the global economy and trade environment, the Company will continue to seek suitable targets for acquisitions and investments or cooperation, it will adopt a prudent and flexible approach for utilizing the Net Proceeds effectively and efficiently for the long term benefit and development of the Group.

(2) SHARE OPTIONS GRANTED DURING 2019

During 2019, the Company granted 11,450,000 share options of the Company under the share option scheme approved by the shareholders of the Company in the annual general meeting held on 18 June 2019. All the share options were granted on 19 July 2019, the closing price of the Shares immediately before the date of grant was HK$15.36.

The fair value under the binomial model for all the share options granted have been set out in Note 30 to the consolidated financial statements of the 2019 Annual Report. The 8,700,000 share options granted to the employees and 2,750,000 share options granted to the directors of the Company have a fair value under the binomial model of HK$62,564,000 and HK$22,241,000, respectively.

Except as disclosed above, all other information in the 2019 Annual Report remains unchanged.

By Order of the Board
Kaisa Prosperity Holdings Limited
Liao Chuanqiang
Chairman

Hong Kong, 23 July 2020

As at the date of this announcement, the executive Directors are Mr. Liao Chuanqiang, Ms. Guo Li, Mr. Wu Jianxin, Ms. Kwok Hiu Ting and Mr. Li Haiming; and the independent non-executive Directors are Mr. Liu Hongbai, Ms. Ma Xiumin and Mr. Chen Bin.