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Kaisa Health Group Holdings Limited

佳兆業健康集團控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 876)

POSITIVE PROFIT ALERT

This announcement is made by Kaisa Health Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 of directors (the “**Board**”) of the Company hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment on the unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (“**FY2023**”) and information currently available to the Board:

1. the Group expects to achieve a turnaround from loss before taxation to profit before taxation for FY2023. The profit before taxation is expected to be no less than HK\$6 million, as compared to the loss before taxation of approximately HK\$172 million for the ended 31 December 2022 (“FY2022”); and
2. the Group expects to achieve a turnaround from the net loss attributable to the owners of the Company to net profit attributable to the owners of the Company for FY2023. The net profit attributable to the owners of the Company is expected to be no less than HK\$7 million, as compared to the net loss attributable to the owners of the Company of approximately HK\$123 million for FY2022.

The Board considers that the expected financial results mentioned above are mainly due to a combination of the following factors:

- (i) a gain on disposal of subsidiaries of approximately HK\$69 million which is mainly attributable to the fair value remeasurement of the interest retained by the Group recognised for FY2023;

- (ii) a decrease in the administrative expenses in the amount of approximately HK\$29 million;
- (iii) a significant decrease in impairment losses in the amount of approximately HK\$73 million, resulting from loss of control of the development project of Zhuhai Shili Lianjiang International Health City* (珠海十里蓮江國際健康城) for the health leisure business as at 31 December 2023; and
- (iv) a fair value gain of financial liabilities at fair value through profit or loss of approximately HK\$0.9 million for FY2023 as compared with the fair value loss of financial liabilities at fair value through profit or loss of approximately HK\$17 million for FY2022.

The Company is still in the process of finalising the annual results of the Group for FY2023. The information contained in this announcement is only based on the unaudited consolidated management accounts of the Group for FY2023 and the information currently available to the Group, which is subject to finalisation and necessary adjustments and has not been confirmed, or reviewed by the auditors of the Company and the audit committee of the Company. Details of the financial results of the Group for FY2023 will be disclosed in the Group's annual results announcement for FY2023 which will be published in due course pursuant to the requirements of the Listing Rules. Shareholders and potential investors are advised to read the annual results announcement carefully when it is published.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kaisa Health Group Holdings Limited
Kwok Ying Shing
Chairman

Hong Kong, 18 March 2024

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Kwok Ying Shing (Chairman), Mr. Luo Jun (Co-Vice Chairman), Mr. Wu Tianyu (Co-Vice Chairman) and Mr. Zhang Huagang, and three independent non-executive Directors, namely Dr. Liu Yanwen, Dr. Lyu Aiping and Ms. Li Zhiying.