KAISA GROUP HOLDINGS LTD.
佳兆業集團控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1638)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Kaisa Group Holdings Ltd. (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 together with the comparative figures for the corresponding year ended 31 December 2023.

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2024 decreased by 55.8% to approximately RMB11,560.7 million from 2023.
- Gross profit for the year ended 31 December 2024 decreased by 86.0% to approximately RMB237.9 million and the gross profit margin for the year was 2.1%.
- Loss for the year ended 31 December 2024 increased by 48.4% to approximately RMB29,228.9 million from 2023.
- Contracted sales of the Group, together with its joint ventures and associates, for the year ended 31 December 2024 decreased by 62.1% to approximately RMB6,757 million.
- No final dividend declared for the year ended 31 December 2024.

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Revenue	5	**11,560,734**	26,158,767
Cost of sales		**(11,322,837)**	(24,460,265)
Gross profit		**237,897**	1,698,502
Other income, gains and losses, net	6	**(15,006,119)**	(7,802,732)
Selling and marketing costs		**(453,731)**	(591,952)
Administrative expenses		**(1,388,135)**	(1,901,110)
Fair value loss of investment properties, net		**(769,560)**	(408,900)
Loss on disposals of subsidiaries, net		**(1,137,880)**	(619,793)
Impairment loss recognised	7	**(5,533,950)**	(4,701,719)
Operating loss		**(24,051,478)**	(14,327,704)
Share of results of associates		**(2,121,921)**	(2,919,188)
Share of results of joint ventures		**(965,039)**	288,216
Finance income	8	**19,362**	48,751
Finance costs	8	**(1,966,489)**	(1,785,323)
Finance costs, net	8	**(1,947,127)**	(1,736,572)
Loss before income tax	9	**(29,085,565)**	(18,695,248)
Income tax expenses	10	**(143,350)**	(1,006,350)
Loss for the year		**(29,228,915)**	(19,701,598)
(Loss) Profit for the year attributable to:			
Owners of the Company		**(28,533,737)**	(19,932,153)
Non-controlling interests		**(695,178)**	230,555
		(29,228,915)	(19,701,598)
Loss per share			
– Basic	12	**(4.067)**	(2.841)
– Diluted	12	**(4.067)**	(2.841)

	2024	2023
	RMB'000	*RMB'000*
Loss for the year	**(29,228,915)**	(19,701,598)
Other comprehensive income (expenses) for the year, net of tax		
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (expenses) of associates	**5,640**	(2,602)
Reclassification of cumulative translation reserve upon disposal of foreign operations	**–**	9,462
Exchange differences on translation of foreign operations	**(4,410)**	17,256
Other comprehensive income for the year	**1,230**	24,116
Total comprehensive expenses for the year	**(29,227,685)**	(19,677,482)
Total comprehensive (expenses) income for the year attributable to:		
Owners of the Company	**(28,530,472)**	(19,916,594)
Non-controlling interests	**(697,213)**	239,112
	(29,227,685)	(19,677,482)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2024

	Notes	2024 RMB'000	2023 RMB'000
Non-current assets			
Property, plant and equipment		**4,317,377**	5,029,514
Right-of-use assets		**611,554**	598,175
Investment properties		**8,409,800**	9,016,710
Land use rights		**364,866**	379,176
Goodwill and intangible assets	*13*	**875,898**	939,729
Investments in associates	*14(a)*	**14,381,513**	22,254,794
Investments in joint ventures	*14(b)*	**7,446,149**	8,450,839
Financial assets at fair value through profit or loss		**1,336,990**	4,562,844
Trade receivables, prepayments, deposits and other receivables		**3,649**	28,608
Deferred tax assets		**1,111,395**	1,362,966
Total non-current assets		**38,859,191**	52,623,355
Current assets			
Properties under development		**73,658,253**	71,497,787
Completed properties held-for-sale		**17,531,998**	20,484,100
Inventories		**386,519**	378,757
Trade receivables, prepayments, deposits and other receivables		**37,497,730**	44,486,906
Deposits for land acquisition		**2,483,257**	2,425,322
Prepayments for proposed development projects		**36,964,847**	36,555,406
Financial assets at fair value through profit or loss		**907,510**	967,978
Restricted bank balances and cash		**1,692,711**	2,406,284
Cash and bank balances		**697,649**	994,771
Total current assets		**171,820,474**	180,197,311
Current liabilities			
Contract liabilities		**18,520,388**	20,325,482
Accrued construction costs		**11,517,764**	8,695,203
Other payables		**61,923,817**	46,474,111
Income tax payable		**12,651,233**	12,958,433
Lease liabilities		**145,110**	135,416
Borrowings	*16*	**118,077,834**	117,051,570
Total current liabilities		**222,836,146**	205,640,215

	Notes	**2024** RMB'000	2023 RMB'000
Net current liabilities		**(51,015,672)**	(25,442,904)
Total assets less current liabilities		**(12,156,481)**	27,180,451
Non-current liabilities			
Other payables		**4,433**	5,876
Lease liabilities		**425,900**	441,389
Borrowings	*16*	**16,995,728**	16,572,447
Deferred tax liabilities		**2,159,258**	2,436,384
Total non-current liabilities		**19,585,319**	19,456,096
Net (liabilities) assets		**(31,741,800)**	7,724,355
Equity			
Share capital		**613,530**	613,530
Perpetual capital securities		**1,350,054**	1,350,054
Share premium		**6,376,801**	6,376,801
Reserves		**(48,917,181)**	(20,389,495)
Deficit attributable to owners of the Company		**(40,576,796)**	(12,049,110)
Non-controlling interests		**8,834,996**	19,773,465
Total (deficit of) equity		**(31,741,800)**	7,724,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. GENERAL INFORMATION

Kaisa Group Holdings Limited (the "**Company**" or "**Kaisa**") was incorporated in the Cayman Islands on 2 August 2007 as an exempted company with limited liability under the Companies Law, Cap. 22 (2009 Revision as consolidated and revised from time to time) of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section to the annual report.

The Company is engaged in investment holding. The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in property development, property investment, property management, hotel and catering operations, cultural centre operations and healthcare operations in the People's Republic of China (the "**PRC**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants and disclosure requirement of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets (including financial assets at fair value through profit or loss ("**FVTPL**") and investment properties), which are carried at fair value.

The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The material accounting policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 3.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

2.2 Going concern basis

The directors of the Company have, at the time of approving the consolidated financial statements for the current year, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

During the year ended 31 December 2024, the Group incurred a net loss attributable to the owners of the Company of approximately RMB28,534 million (2023: RMB19,932 million) and, as of that date, the Group had net current liabilities of approximately RMB51,016 million (2023: RMB25,443 million). As at 31 December 2024, the Group had borrowings (the "**Borrowings**") in the forms of senior notes, bank and other borrowings, loan from a related company and controlling shareholder of the Company amounted to approximately RMB135,074 million (2023: RMB133,624 million) in aggregate, of which approximately RMB118,078 million (2023: RMB117,052 million) were current liabilities, while the Group's restricted bank balances and cash and cash and bank balances were of approximately RMB1,693 million (2023: RMB2,406 million) and RMB698 million (2023: RMB995 million), respectively only. In addition, as at 31 December 2024, the Group's borrowings amounting to approximately RMB114,158 million (2023: RMB105,642 million) were defaulted and/or cross-defaulted with other borrowings, which, as a consequence, would be immediately repayable if and when requested by the lenders.

As affected by the downturn of the property market in the PRC in recent years, the Group has been facing challenges in the sales and pre-sale performances, in particulars the sales of properties for the year ended 31 December 2024 was decreased to approximately RMB8,057 million (2023: RMB22,551 million). Moreover, the Group has been facing more challenges in obtaining financing through the issuance of new domestic corporate bonds and overseas senior notes due to the difficulties and challenging debt financing environment in the PRC in recent years. Moreover, with the Group's commitment to timely delivery of its properties to the property buyers, which requires the Group to place higher priority in utilising the available funds for the construction of pre-sale properties, the Group has been facing significant liquidity pressure.

Moreover, as disclosed in the Company's announcement dated 8 March 2024, Citicorp International Limited ("**Petitioner**") has applied to the High Court of the Hong Kong Special Administrative Region for the winding-up of the Company in relation to the Company's non-payment of the 10.875% notes due in 2023 issued with the outstanding principal amount of USD750,000,000 and accrued interests (the "**Petition**"). The hearing of the Petition has been adjourned a few times, with the latest being adjourned to 30 June 2025 and the Petitioner has been substituted by GLAS Agency (Hong Kong) Limited as disclosed in the Company's announcement dated 28 March 2025.

The conditions described above indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern and hence, its ability to realise its assets and discharge its liabilities in the normal course of business.

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. The directors of the Company have reviewed the Group's cash flow forecast (the "**Cash Flow Forecast**") prepared by the management of the Company. The Cash Flow Forecast covers a period of not less than twelve months from 31 December 2024. They are of the opinion that, taking into account the following plans and measures (the "**Plans and Measures**"), the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2024. The consolidated financial statements were prepared based on the assumption that the Group can be operated as a going concern, after taking into consideration of the following Plans and Measures:

(i) Up to the date of approval of these consolidated financial statements, other than the scheme of arrangement proposed to be implemented by Rui Jing Investment Company Limited (瑞景投資有限公司) in the British Virgin Island, the sanctions of the implemented through parallel scheme of arrangement in Hong Kong and Cayman Islands were approved by the High Court and Cayman Court, respectively that is a major milestone towards the implementation of the holistic restructuring of its offshore indebtedness (the "**Restructuring**") of the Group's In-Scope Debt which was described in the Company's announcement dated 29 November 2024. The directors of the Company consider that it has laid the foundation for the Company to protect the interests of all its stakeholders, and to deliver its projects on schedule and safely as well as to continue its business operations and development.

The directors of the Company commit to use their best endeavours to work with its financial and legal advisors to procure that the remaining Restructuring conditions will be satisfied in accordance with the Restructuring timetable.

(ii) For the remaining borrowings, the Group had past due borrowings amounted to approximately RMB28,903 million. Up to date of issuance of the consolidated financial statements, the Group has successfully modified repayment arrangements in respect of the borrowings amounted to approximately RMB2,900 million, where the repayment periods have been extended to years 2025 to 2028. Moreover, the Group had borrowings of approximately RMB17,300 million that were secured by the Group's assets, the directors of the Company believe that it is highly probable that they can be renewed these borrowings in the next twelve months.

Based on progress in communicating with the lenders and creditors, the directors believe that the Group is highly probable to obtain continual support from the lenders and creditors for an amicable solution in respect of the renewal and extension of repayment date of the instalments of the Group's remaining borrowings due in the Group's favour.

(iii) The management of the Company maintains a detailed plan to closely monitor the progress of the construction of its property development projects according to the Group's sales plan, to ensure that construction and related payments are fulfilled and relevant properties sold under pre-sale arrangements are completed and delivered to the properties buyers on schedule as planned, such as, up to date of approval of these consolidated financial statements, the Group has obtained support from certain of its major contractors and suppliers so as to complete the construction progress as scheduled.

As at the date of approval these consolidated financial statements, the directors consider that majority of the Group's property development projects are in progress according to the schedule, and the Group is able to complete and delivery of its property development projects as planned.

(iv) The Group continues to actively adjust the sales and pre-sale activities to response to market changes and capture demands. The management considers that the PRC property market will gradually return to a sound and stable development track taking into account the PRC Central Government persistent efforts to stabilise the property market in the PRC. The management of the Company has prepared a detailed plan which has been reviewed by the directors of the Company regarded to pre-sale and sale of the Group's properties under development and completed properties held for sale according to the schedule.

The management of the Company also took proactive steps to enhance the payment collection progress from customers in respect of the property sales and pre-sales through closely following up with the customers and communicating and coordinating with banks for the timely grant of individual mortgage loans to the customers in accordance with the timeline of Cash Flow Forecast prepared by the management.

Accordingly, the directors believe that the Group is able to complete its project selling plan as scheduled, and to speed up the collection of the sales proceeds so as to generate adequate net cash flows.

(v) The management of the Company has prepared a detailed plan with the detailed timetable and actions to be carried out which have been reviewed by the directors of the Company to control operational and administrative costs through various channels, including but not limited to (1) optimise and adjust human resources; (2) streamline logistics operations through human resources consolidation and productivity optimisation; (3) restrain capital expenditures; and (4) assess additional measures to further reduce discretionary spending, among others. Further, the management of the Company has also prepared a detailed plan which has been reviewed by the directors to implement more stringent cash flow management with the objective, to expedite the collection of receivables and also to achieve better payment terms with trade vendor.

The management of the Company regularly conducts detailed analyses and estimates of the cost saving and cash inflows upon the implementing the above-mentioned relevant actions so as to assess whether the Company could reduce operating and administrative costs and the generate cost saving and cash inflow to the desired level within the period planned in the Cash Flow Forecast.

The directors of the Company have reviewed the Group's Cash Flow Forecast prepared by management, which covers a period of at least twelve months from 31 December 2024. They are of the opinion that, taking into account the abovementioned Plans and Measures, the directors believe that the Group will have sufficient funds to maintain its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the Group is able to achieve its Plans and Measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to obtain financing and operating cash flows in the near future.

Should the Group fail to achieve the abovementioned Plans and Measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENT TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The Group has applied the amendments for the first time in the current year.

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity's own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the 2022 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The 2022 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transitional provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instructments[3]
Amendment to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRSs mentioned below, the application of the amendments to HKFRSs is not expected to have material impact on the Group's consolidated financial statements in the future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 *Presentation and Disclosure in Financial Statements* ("**HKFRS 18**"), which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements* ("**HKAS 1**"). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7 *Statement of Cash Flows* ("**HKFRS 7**"). Minor amendments to HKAS 7 and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of HKFRS 18 is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements but has no impact on the Group's future financial positions and future performance. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's future consolidated financial statements.

4. SEGMENT INFORMATION

The chief operating decision-maker (the "**CODM**") has been identified as the executive directors of the Company who are responsible for reviewing the Group's internal reporting in order to assess performance and allocate resources.

The CODM identified the following segments based on the nature of business operations and regarded these as the Group's reporting segments:

- Property development;
- Property investment;
- Property management;
- Hotel and catering operations;
- Cultural centre operations;
- Healthcare operations; and
- Others

(a) Segment revenue and results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the revenue and results, attributable to each reportable segment mentioned above.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Segment revenue from external parties reported to the management is measured in a manner consistent with that in the consolidated statement of profit or loss.

Segment profit and loss represents the profit and loss earned or incurred by each segment without allocation of corporate and other unallocated expenses, fair value gain and loss on financial assets at FVTPL, net, finance income, finance costs and income tax credit and expenses. This is the information reported to the CODM for the purposes of resource allocation and performance assessment.

Information regarding the Group's reportable segment revenue, results and other information as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 31 December 2023 is set out below.

	Property development *RMB'000*	Property investment *RMB'000*	Property management *RMB'000*	Hotel and catering operations *RMB'000*	Cultural centre operations *RMB'000*	Healthcare operations *RMB'000*	Others *RMB'000*	Total *RMB'000*
Year ended 31 December 2024								
Revenue and results								
Revenue	**8,056,756**	**614,026**	**1,841,415**	**283,898**	**200,803**	**666,724**	**260,436**	**11,924,058**
Less: inter-segment revenue	**–**	**(115,405)**	**(222,232)**	**(22,121)**	**(2,231)**	**–**	**(1,335)**	**(363,324)**
Revenue from external customers	**8,056,756**	**498,621**	**1,619,183**	**261,777**	**198,572**	**666,724**	**259,101**	**11,560,734**
Results								
Segment results before the items below:	**(16,636,956)**	**(787,397)**	**211,950**	**36,306**	**(89,506)**	**(54,195)**	**(4,337,874)**	**(21,657,672)**
Loss on disposals of subsidiaries, net	**(1,137,880)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,137,880)**
Fair value loss of investment properties, net	**–**	**(769,560)**	**–**	**–**	**–**	**–**	**–**	**(769,560)**
Share of results of associates	**(2,077,504)**	**–**	**8,160**	**–**	**–**	**–**	**(52,577)**	**(2,121,921)**
Share of results of joint ventures	**(964,708)**	**–**	**–**	**–**	**–**	**–**	**(331)**	**(965,039)**
Segment results	**(20,817,048)**	**(1,556,957)**	**220,110**	**36,306**	**(89,506)**	**(54,195)**	**(4,390,782)**	**(26,652,072)**
Fair value loss on financial assets at FVTPL, net								**(253,165)**
Corporate and other unallocated expenses								**(233,201)**
Finance income								**19,362**
Finance costs								**(1,966,489)**
Finance costs, net								**(1,947,127)**
Loss before income tax								**(29,085,565)**
Income tax expenses								**(143,350)**
Loss for the year								**(29,228,915)**

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2023 is as follows:

	Property development *RMB'000*	Property investment *RMB'000*	Property management *RMB'000*	Hotel and catering operations *RMB'000*	Cultural centre operations *RMB'000*	Healthcare operations *RMB'000*	Others *RMB'000*	Total *RMB'000*
Year ended 31 December 2023								
Revenue and results								
Revenue	22,550,814	526,843	1,861,861	343,900	277,049	590,892	373,808	26,525,167
Less: inter-segment revenue	–	(67,002)	(203,653)	(3,948)	(12,741)	–	(79,056)	(366,400)
Revenue from external customers	22,550,814	459,841	1,658,208	339,952	264,308	590,892	294,752	26,158,767
Results								
Segment results before the items below:	(6,859,498)	593,883	181,201	51,203	110,297	(5,185)	(5,881,824)	(11,809,923)
Gain (loss) on disposals of subsidiaries, net	(682,895)	–	–	–	–	63,102	–	(619,793)
Fair value gain (loss) of investment properties, net	–	(408,900)	–	–	–	–	–	(408,900)
Share of results of associates	(3,084,859)	–	6,963	–	–	–	158,708	(2,919,188)
Share of results of joint ventures	166,517	–	–	–	–	–	121,699	288,216
Segment results	(10,460,735)	184,983	188,164	51,203	110,297	57,917	(5,601,417)	(15,469,588)
Fair value loss on financial assets at FVTPL, net								(1,294,962)
Corporate and other unallocated expenses								(194,126)
Finance income								48,751
Finance costs								(1,785,323)
Finance costs, net								(1,736,572)
Loss before income tax								(18,695,248)
Income tax expenses								(1,006,350)
Loss for the year								(19,701,598)

(b) Geographical information

As the CODM considers most of the revenue and results of the Group for the years ended 31 December 2024 and 31 December 2023 are attributable to the market primarily in the PRC, and over 90% of the Group's assets as at 31 December 2024 and 31 December 2023 are located in the PRC and thus, no geographical segment information is presented.

(c) Information about major customers

For the years ended 31 December 2024 and 31 December 2023, none of the Group's customers accounted for more than 10% of the Group's total revenue.

5. REVENUE

Revenue represents the amount received and receivable for goods sold and services provided by the Group to outside customers, less discounts, returns and value added tax or other sales taxes.

During the years ended 31 December 2024 and 31 December 2023, the Group's operating activities are attributable to following operating segments focusing on the operation of:

- Property development: Sales of properties
- Property investment: Rental from leasing of properties
- Property management: Provision of property management service
- Hotel and catering operations: Provision of hotel and catering operations services
- Cultural centre operations: Provision of cultural centre operations services
- Healthcare operations: Provision of healthcare operations services
- Others

(a) Disaggregation of revenue from contracts with customers

(i) The Group derives revenue from the transfer of goods and services by categories of major product lines and business.

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of properties	**8,056,756**	22,550,814
Provision of property management service	**1,619,183**	1,658,208
Provision of hotel and catering operations services	**261,777**	339,952
Provision of cultural centre operations services	**198,572**	264,308
Provision of healthcare operations services	**666,724**	590,892
Others	**259,101**	294,752
	11,062,113	25,698,926
Revenue from other sources		
Rental from leasing of properties	**498,621**	459,841
	11,560,734	26,158,767

(ii) The Group derives revenue from the transfer of goods and services by timing of revenue recognition

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
– Over time	**2,338,633**	2,557,220
– At a point in time	**8,723,480**	23,141,706
	11,062,113	25,698,926

6. OTHER INCOME, GAINS AND LOSSES, NET

	2024 *RMB'000*	2023 *RMB'000*
Forfeited customer deposits	**7,865**	2,984
Government subsidy income	**26,166**	92,069
(Loss) gain on disposals of property, plant and equipment	**(699,080)**	167
Loss on disposal of investment properties	**(107,712)**	–
Exchange losses, net	**(1,516,440)**	(1,239,476)
Fair value loss on financial assets at FVTPL, net	**(253,165)**	(1,294,962)
Loss on disposal of financial assets at FVTPL, net	**–**	(50,000)
Loss on termination of construction projects, net	**–**	(1,128,201)
Loss on deregistration of associates	**(834)**	–
Impairment loss recognised for investments in associates	**(252,353)**	(397,030)
Impairment loss recognised for property, plant and equipment	**(270,000)**	–
Impairment loss recognised for goodwill	**(24,378)**	–
Impairment loss recognised for properties under development and completed properties held for sale	**(11,297,601)**	(3,275,982)
Others	**(618,587)**	(512,301)
	(15,006,119)	(7,802,732)

7. IMPAIRMENT LOSS RECOGNISED

	2024 *RMB'000*	2023 *RMB'000*
Impairment loss recognised for:		
– Financial assets, including trade and other receivables, amounts due from associates, amounts due from joint ventures and amounts due from non-controlling interests in subsidiaries	**5,606,275**	2,528,203
– Financial liabilities in respect of financial guarantees regarding liabilities of the Group's associates and joint ventures and third parties	**(72,325)**	2,173,516
	5,533,950	4,701,719

8. FINANCE COSTS, NET

	2024 *RMB'000*	2023 *RMB'000*
Finance income		
Interest income	**19,362**	48,751
Finance costs		
Interest expense		
– Bank borrowings	**2,370,483**	2,461,388
– Senior Notes	**8,423,109**	7,396,568
– Other borrowings	**3,133,449**	2,670,178
– Lease liabilities	**526**	2,084
Total interest expenses	**13,927,567**	12,530,218
Less: Interest capitalised	**(11,961,078)**	(10,744,895)
	1,966,489	1,785,323
Finance costs – net	**(1,947,127)**	(1,736,572)

9. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging (crediting):

	2024	2023
	RMB'000	*RMB'000*
Staff cost, including directors' remuneration		
– Staff salaries and allowances	**898,031**	1,155,890
– Performance bonus	**–**	–
– Equity-settled share-based payment expenses	**2,786**	5,805
– Contributions to defined contribution retirement schemes	**33,528**	46,881
	934,345	1,208,576
Auditor's remunerations		
– Audit services	**5,800**	6,000
– Non-audit services	**–**	2,100
	5,800	8,100
Predecessor auditor's remunerations		
– Non-audit services	**1,000**	–
Gross rental income from investment properties	**498,621**	459,841
Less: Outgoing in respect of investment properties that generated rental income during the year	**(258,748)**	(242,074)
	239,873	217,767
Others:		
Depreciation and amortisation:		
– Property, plant and equipment	**268,546**	298,183
– Right-of-use assets	**68,085**	42,097
– Intangible assets	**40,625**	37,255
– Land use rights	**13,410**	13,476
Minimum lease payments under operating leases	**4,828**	4,304
Cost of sales	**11,322,837**	24,460,265

10. INCOME TAX EXPENSES

	2024	2023
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**91,859**	243,210
– PRC land appreciation tax	**78,109**	797,956
Deferred income tax	**(26,618)**	(34,816)
	143,350	1,006,350

11. DIVIDENDS

No dividends were paid, declared or proposed for the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting periods.

12. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based in the following data.

	2024	2023
	RMB'000	*RMB'000*
Loss attributable to owners of the Company	**(28,533,737)**	(19,932,153)

	2024	2023
	number of shares ('000)	
Weighted average number of ordinary shares in issue during the year	**7,015,469**	7,015,469

The computation of diluted loss per share for the years ended 31 December 2024 and 31 December 2023 did not assume the exercise of outstanding share options of the Company since their assumed conversion would result in a decrease in loss per share. Therefore, the diluted loss per share is the same as basic loss per share for the years ended 31 December 2024 and 31 December 2023.

13. GOODWILL AND INTANGIBLE ASSETS

	Intangible assets								
	Contracts with sports players	Trademarks and patent	Customer relationship	Technology	Distribution network	Other	Sub-total	Goodwill	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost									
At 1 January 2023	1,279,274	327,249	143,789	13,858	497,400	8,348	2,269,918	1,087,331	3,357,249
Additions	–	–	–	–	–	2,000	2,000	–	2,000
At 31 December 2023 and 1 January 2024	**1,279,274**	**327,249**	**143,789**	**13,858**	**497,400**	**10,348**	**2,271,918**	**1,087,331**	**3,359,249**
Additions	**–**	**–**	**–**	**–**	**–**	**1,172**	**1,172**	**–**	**1,172**
At 31 December 2024	**1,279,274**	**327,249**	**143,789**	**13,858**	**497,400**	**11,520**	**2,273,090**	**1,087,331**	**3,360,421**
Accumulated amortisation and impairment									
At 1 January 2023	1,279,274	154,947	106,909	13,858	497,400	7,895	2,060,283	321,982	2,382,265
Amortisation	–	26,008	10,322	–	–	925	37,255	–	37,255
At 31 December 2023 and 1 January 2024	**1,279,274**	**180,955**	**117,231**	**13,858**	**497,400**	**8,820**	**2,097,538**	**321,982**	**2,419,520**
Amortisation	**–**	**33,036**	**7,236**	**–**	**–**	**353**	**40,625**	**–**	**40,625**
Impairment	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**24,378**	**24,378**
At 31 December 2024	**1,279,274**	**213,991**	**124,467**	**13,858**	**497,400**	**9,173**	**2,138,163**	**346,360**	**2,484,523**
Net carrying amounts									
At 31 December 2024	**–**	**113,258**	**19,322**	**–**	**–**	**2,347**	**134,927**	**740,971**	**875,898**
At 31 December 2023	–	146,294	26,558	–	–	1,528	174,380	765,349	939,729

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a) Investments in associates

	2024	2023
	RMB'000	*RMB'000*
Cost of investments in associates, less accumulated impairment		
– Listed	**–**	703,521
– Unlisted	**19,848,741**	25,353,387
Share of post-acquisition loss and other comprehensive loss, net of dividend received	**(5,467,228)**	(3,802,114)
	14,381,513	22,254,794
Fair value of listed investments	**–**	534,142

b) Investments in joint ventures

	2024	2023
	RMB'000	*RMB'000*
At 1 January	**8,450,839**	8,166,590
Transfer to subsidiaries	**(39,651)**	(3,967)
Share of results of joint ventures	**(965,039)**	288,216
At 31 December	**7,446,149**	8,450,839

15. TRADE RECEIVABLES

Trade receivables mainly arise from sales of properties, provision of property management services, provision of construction and design services and provision of financial services. Trade receivables are settled in accordance with the terms stipulated respectively in the property sale and purchase agreements or service agreements. The ageing analysis of trade receivables based on contractual terms as at the respective reporting dates is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 90 days	**477,147**	931,165
Over 90 days and within 180 days	**92,360**	253,480
Over 180 days and within 270 days	**285,929**	112,606
Over 270 days and within 365 days	**108,279**	89,121
Over 365 days	**798,783**	656,379
	1,762,498	2,042,751
Less: Provision for expected credit loss ("**ECL**") allowances	**(501,956)**	(193,708)
Trade receivables, net of ECL	**1,260,542**	1,849,043

16. BORROWINGS

	2024	2023
	RMB'000	*RMB'000*
Borrowings comprise:		
– Senior Notes	**83,273,840**	82,049,361
– Bank borrowings	**20,334,066**	19,097,760
– Other borrowings	**31,241,875**	32,253,115
– Loan from a related company	**108,781**	108,781
– Loan from the controlling shareholder of the Company	**115,000**	115,000
	135,073,562	133,624,017
Less: current portion	**(118,077,834)**	(117,051,570)
Amounts shown under non-current liabilities	**16,995,728**	16,572,447
Analysed as:		
– Fixed-rates bank and other borrowings	**110,234,884**	109,780,548
– Variable-rates bank and other borrowings	**24,838,678**	23,843,469
	135,073,562	133,624,017
Analysed as:		
– Senior Notes	**83,273,840**	82,049,361
– Secured	**33,603,468**	32,106,041
– Unsecured	**18,196,254**	19,468,615
	135,073,562	133,624,017

17. COMMITMENTS

(a) Commitments for property development expenditure, acquisitions of property, plant and equipment, acquisitions of subsidiaries, an associate and a joint venture

	2024	2023
	RMB'000	*RMB'000*
Contracted but not provided for		
– Acquisitions of land use rights and property development activities	**11,300,005**	12,348,756
– Acquisitions of subsidiaries	**13,000,000**	13,000,000
	24,300,005	25,348,756

(b) Lease commitments

At the reporting date, the lease commitments for short-term leases and low-value assets leases are as follows:

	2024	2023
	RMB'000	*RMB'000*
Not later than one year	**330**	365
Later than one year and not later than five years	**–**	–
	330	365

(c) Operating lease rentals receivable

The future aggregate minimum lease rentals receivable under non-cancellable operating leases in respect of land and buildings are as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 1 year	**201,310**	180,956
After 1 year but within 2 years	**173,366**	180,947
After 2 years but within 3 years	**130,785**	139,678
After 3 years but within 4 years	**89,233**	110,190
After 4 years but within 5 years	**81,808**	84,514
After 5 years	**184,487**	181,277
	860,989	877,562

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Kaisa Group Holdings Ltd. ("**Kaisa**" or the "**Company**", together with its subsidiaries, the "**Group**"), I hereby present to you the annual results of the Group for the year ended 31 December 2024 together with the comparative figures for the previous year.

RESULTS AND DIVIDEND

During the year ended 31 December 2024, the Group's revenue decreased by approximately 55.8% to approximately RMB11,560.7 million and the gross profit decreased by approximately 86.0% to approximately RMB237.9 million, as compared to 2023. Loss attributable to owners of the Company was approximately RMB28,533.7 million and basic loss per share was RMB4.067 (2023: loss of approximately RMB19,932.2 million and basic loss per share of RMB2.841).

The Board did not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

BUSINESS REVIEW

Property Market and Policies

In 2024, China's economy maintained steady growth amidst a complicated and ever-changing international environment. The annual GDP growth rate was expected to stabilize at around 5%, demonstrating strong resilience and potential for growth. At the policy level, the central government implemented a series of measures such as increasing fiscal policy support, improving the efficiency of capital utilization, and implementing flexible monetary policies to guide financial institutions and strengthen support for the real economy, to stabilize growth, promote reform, adjust structure, improve people's livelihoods, and prevent risks. These policies have been effectively implemented, thereby providing a solid foundation for stable and healthy economic development.

In the real estate market, under the dual effects of policy support and market adjustments, the property market gradually bottomed out and became stable. Policies focused on stabilizing land prices, housing prices, and market expectations, as well as continuing the city-specific approach. Key cities further eased purchase and loan restrictions, lowered down payment ratios, optimized mortgage rates, and stimulated rigid and improved housing demand through tax incentives and house purchase subsidies. Meanwhile, the central government increased support by providing special loans to ensure the delivery of pre-sold homes and piloted the sale of completed homes to alleviate buyers' concerns in various cities. The construction of affordable housing has accelerated, with a plan to build more than 2 million units in the year, forming a "dual-track" system with market-oriented commodity housing. The long-term rental housing market also saw standardized development. However, market performance differentiated, with new home sales rebounding in the first-tier and strong second-tier cities, while third- and fourth-tier cities remained under pressure. On the property developer side, leading state-owned enterprises leveraged their financing advantages to accelerate resource integration, with the top ten developers' market share rising to 35%. Overall, policies on the industry started to bear fruits, and the market bottomed out, underpinning a full economic recovery and improvements in household income.

Accelerating Transformation and Exploring New Development Models

During the year, in the face of severe challenges posed by the deep adjustments in the real estate industry, the Group demonstrated a firm commitment to innovate and make a change, reduce costs, and improve efficiency. With the implementation of new national policies promoting the stable development of the real estate market, the market showed positive trends. The Group seized opportunities brought by the policies, resolutely implemented the strategy of ensuring delivery and improving quality to ensure high-quality project delivery, and accelerated the revitalization of core assets and the construction of key projects. At the same time, the Company actively advanced its debt restructuring to lay a foundation for long-term development.

In 2024, the Group actively responded to the national call to promote high-quality development in service consumption. Based on its strategic positioning as an urban public service provider, the Group steadily advanced operational stability and transformation by innovating service models, enriching consumption scenarios, accelerating light-asset expansion, to promote the integrated development of cultural, commercial, and tourism sectors. By continuously exploring new development models, the Group sought a higher-quality and more sustainable development path.

Actively Implementing Project Delivery and Enhancing Quality Services

In 2024, the Group achieved aggregated contracted sales of approximately RMB6,757 million, representing a year-on-year decrease of 47.2%.

In 2024, the Group, together with its joint ventures and associates, recorded contract sales of approximately RMB6,757 million. Kaisa closely monitored market policies, kept up with market trends and implemented project-specific strategies based on project progress to accelerate project de-stocking. The Group also comprehensively reviewed its on-site reception and service processes, optimized and streamlined home purchase procedures, clarified details, improved customer service, and enhanced customers' on-site home purchase experience and information access efficiency.

Kaisa has always regarded "securing livelihood, ensuring delivery, and guaranteeing quality" as its primary mission. By implementing various measures to fulfill its commitment of ensuring timely delivery, Kaisa fulfilled its corporate responsibilities and preserved customer confidence. During the year, Kaisa delivered a total of 25 projects amounting to approximately 10,000 units in various cities including Shenzhen, Guangzhou, Beijing, Chongqing, Changsha, Shantou and Luoyang etc., fulfilling its commitments to delivering high-quality homes and creating beautiful communities for homeowners.

In 2024, several projects delivered by the Group, including Shenzhen Jiayuan, Luoyang Kaisa Waterfront Residence, Shantou Kaisa Specular Moon and Chongqing Kaisa Riverside Paradise with a total construction area exceeding 1.6 million sq. m., received national green building certifications. Kaisa has always adhered to green design principles and spared no effort in using the most up-to-date materials and technologies to control energy consumption during construction. While striving to create comfortable and high-quality living environment for customers, the Group actively practiced green development, improved the ecological environment, and contributed to building a sustainable society.

Land Reserves

Deepening its penetration in the first-tier and major second-tier cities has always been the development strategy of the Group. As at 31 December 2024, the Group has a total of 172 real estate projects in 48 cities nationwide, with a total land bank reaching 22.31 million sq.m., of which approximately 13.54 million sq.m. or 61% of the Group's total land bank are located in the Greater Bay Area. Among the cities in the Greater Bay Area, Shenzhen and Guangzhou are the core markets that the Group has focused on over the years, accounting for 41% of its land bank in the Greater Bay Area.

Urban Renewal

In 2024, both the national and local governments continued to release policy incentives to fuel urban renewal towards high-quality development. The State Council issued the "Five-Year Action Plan for Deepening the Implementation of the People-centered New Urbanization Strategy" which listed out "implementing urban renewal and safety resilience enhancement actions" as one of the four key initiatives. It emphasized the increased support from the Central Government with the financial construction funds for eligible urban renewal projects, including the renovation of old urban communities, the renewal of aging urban gas pipelines, and urban drainage and flood prevention projects. The Ministry of Housing and Urban-Rural Development also introduced proposals focusing on urban village renovation, affordable housing construction, and public infrastructure for both normal and emergency use as core initiatives to fully promote urban renewal.

In terms of land policies, various cities actively explored and innovated, allowed the composite use of existing land, improved policies on changes in the use of land and of building function, promoted the redevelopment of low-efficient land, and achieved intensive use of land through methods such as "replacing the old with the new" and the consolidation of scattered land. The introduction of these policies not only created a favorable policy environment for Kaisa's urban renewal projects but also provided more opportunities for breakthroughs in key projects, enabling the Company to stabilize its operations, undergo transformation, improve quality, and open a new chapter of sustainable development.

As at 31 December 2024, the Group had over a hundred urban renewal projects in the Guangdong-Hong Kong-Macao Greater Bay Area which were yet to be converted into the land bank of the Group, covering a site area of around 37.0 million sq.m.. The Group plans to replenish its land bank with urban renewal project reserve as the source of high-quality inventory and at the same time to provide a full-process urban renewal service model, empowering industrial upgrading and practicing high-quality and sustainable development.

Financing

In 2024, under the tone of "bottoming out and stabilizing", regulatory policies on the real estate industry underwent an unprecedented and major shift. In the year, the Ministry of Housing and Urban-Rural Development, together with relevant authorities and local governments, launched a policy combining "four cancellations, four reductions, and two increases." Through a series of effective adjustment measures, the real estate market has steadily recovered from the trough, moving towards a more stable development path. Since 2024, real estate financing policies have been further loosened, with increased loan disbursements for white-list projects, supporting the revitalization of idle land, and continuously improving the financing environment. On the other hand, the scale of non-bank financing continued to decline, and industry differentiation intensified. Private real estate developers had to seize the policy window to secure favorable conditions and improve their financing situation.

Against such backdrop, the Group proactively adapted to industry changes, steadily advanced debt management, and made significant progress in offshore debt restructuring. In terms of onshore debts, the Group actively negotiated financing extensions and cost reductions, with financing costs continuing to decline compared to the end of 2023. Several white-list projects received loan disbursements, successfully ensuring delivery. In the future, the Group will leverage its core advantages in land reserves and urban renewal in the Greater Bay Area to continuously explore innovative debt resolving models and promote onshore and offshore debt restructuring.

In terms of offshore debt restructuring, the Group with its financial and legal advisors have been actively engaging with the Ad Hoc Group (the "**AHG**") and its advisors on the formulation of a mutually agreed holistic debt restructuring plan over the past years. On 20 August 2024, the Company entered into a restructuring support agreement (the "**RSA**") with the AHG which was a notable milestone regarding the restructuring of the Group's offshore indebtedness (the "**Restructuring**"). The contemplated Restructuring is intended to (i) provide the Company with a long-term, sustainable capital structure; (ii) allow adequate financial flexibility and sufficient runway to stabilize the business; and (iii) protect the rights and interests, and maximize value, for all stakeholders. As at 13 September 2024, holders of approximately 75.11% of the aggregate outstanding principal amount of the Kaisa In-Scope Debt and approximately 81.07% of the aggregate outstanding principal amount of the Rui Jing In-Scope Debt have acceded to the RSA. Subsequent to the end of the reporting period, a number of Scheme meetings were held, all of which had been approved by the requisite majority of creditors of the respective Schemes. Subsequent to the various Scheme meetings, the Company proceeded to seek the approval and sanctions from the relevant courts. Up to the date when the Group's consolidated financial statements were authorised for issue, the Kaisa Hong Kong Scheme, the Kaisa Cayman Scheme and the Rui Jing Hong Kong Scheme were sanctioned by the relevant courts in March 2025. The hearing of the petition seeking sanction of the Rui Jing BVI Scheme is scheduled to take place on 7 April 2025. The Group will make announcement on the latest progress of the Restructuring as and when appropriate.

Outlook

Looking ahead, the global economy is expected to continue its moderate recovery, with central banks likely to continue cutting interest rates in response to slowing economic growth and declining inflationary pressures. As key elections in several countries conclude, the policy directions of new governments remain uncertain. Geopolitical risks, trade protectionism, and other factors may exacerbate trade policy-related uncertainties, affecting trade prospects and economic activities.

2025 marks the final year of the 14th Five-Year Plan, and China's economic trend is expected to remain positively overall, with market confidence gradually strengthening. Policies may increase counter-cyclical adjustments to address challenges from external risks and internal structural adjustments. In the real estate market, with the continuous implementation of policy measures and favorable stimulus, market demand is expected to gradually release, and transaction volumes for new and second-hand homes are likely to rebound. First-tier cities may stabilize first, driving the recovery of second-tier cities. In general, China's real estate market is expected to gradually bottom out and become stable in 2025.

In the future, we will actively advance the resolution of the Group's operational risks, accelerate the return to a healthy development track, adhere to a profit and cash flow-centered operational strategy, and actively explore new models of light-asset, high-quality, and sustainable development.

Acknowledgments

The Board will continue to mitigate negative impacts and implement measures to manage any risks regarding the Group's operations and reputation, and enhance the Group's core advantages to achieve sustainable development.

I would like to take this opportunity to express my sincere gratitude to all shareholders, investors, business partners, and customers on behalf of the Board. We will work together with all parties to overcome difficulties and strive to maximize value and returns for our shareholders and investors.

KWOK Ying Shing
Chairman

Hong Kong, 31 March 2025

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

During the year ended 31 December 2024, the Group recorded revenue of approximately RMB11,560.7 million, representing a decrease of 55.8% as compared with 2023. Loss attributable to owners of the Company amounted to approximately RMB28,533.7 million for the year ended 31 December 2024 as compared to loss attributable to owners of the Company amounted to approximately RMB19,932.2 million for the year ended 31 December 2023. Basic loss per share amounted to RMB4.067 (2023: RMB2.841).

The Board does not recommended the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

Contracted sales in 2024

In 2024, the Group together with its joint ventures and associates recorded contracted sales of approximately RMB6,757 million, representing a decrease of 62.1% from approximately RMB17,836 million in 2023. Aggregated GFA sold for the year was approximately 553,297 sq.m., representing a decrease of 47.2% from approximately 1,047,671 sq.m. in 2023. The table below shows the Group's contracted sales by region in 2024:

Region	**Contracted sales area** *(sq.m.)*	**Contracted sales amount** *(RMB in millions)*
Guangdong-Hong Kong-Macao Greater Bay Area	322,845	4,872
Yangtze River Delta	64,345	516
Central China Region	30,532	227
Western China Region	48,886	210
Pan-Bohai Bay Rim	86,689	932
Total	**553,297**	**6,757**

Property development

Projects completed in 2024

The Group adopts a strict and prudent practice in project development and adjusts its pace of business expansion as and when appropriate. During the Year, the GFA of newly completed projects of the Group together with its joint ventures and associates amounted to approximately 2.3 million sq.m..

Projects under development

As at 31 December 2024, the Group together with its joint ventures and associates had 64 projects under development with an aggregate GFA of approximately 7.4 million sq.m..

Property management

The Group generated revenue from providing property management services. During the year ended 31 December 2024, the Group has a total GFA of approximately 102.7 million sq.m. under management. The Group's property management services strive to deliver excellent and professional services to its customers and enhance the brand and corporate image of the Group. As of 31 December 2024, the Group provided property management services to 77 cities nationwide, covering residential, commercial, office, tourism and large-scale stadiums.

Investment properties

The Group adopts a diversified business strategy, characterised by its increase in investment in properties. The investment properties will generate steady and reliable income and enlarge the overall income base of the Group. The Group develops commercial properties such as office buildings, retail stores and car parks for leasing purpose. In managing its investment property portfolio, the Group takes into account the long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 31 December 2024, the Group held 10 investment property projects, with an aggregate GFA of approximately 0.44 million sq.m..

Land bank

The Group remained cautious in replenishing its land bank nationwide by making reference to the development of the Group, availability of land supply and its existing land bank. By ways such as joint development, acquisition, bidding, auction and listing as well as urban renewal, the Group seeks project resources in China's regions where economy prospers.

As at 31 December 2024, the Group together with its joint ventures and associates had a total land bank of approximately 22.31 million sq.m., and approximately 61% of land bank was located in the Greater Bay Area, which is sufficient for the Group's development needs for the next five years.

FINANCIAL REVIEW

Revenue

The Group primarily derived its revenue from the following business segments: (i) property development, (ii) property investment, (iii) property management, (iv) hotel and catering operations, (v) cultural centre operations, (vi) healthcare operations and (vii) others. Revenue decreased by 55.8% to approximately RMB11,560.7 million in 2024 from approximately RMB26,158.8 million in 2023. 69.7% of the Group's revenue was generated from the sales of properties (2023: 86.2%) and 30.3% from other segments (2023: 13.8%).

Sales of properties

Revenue from sales of properties decreased by approximately RMB14,494.0 million, or 64.3%, to approximately RMB8,056.8 million in 2024 from approximately RMB22,550.8 million in 2023. The decrease was mainly attributable to the decrease in total delivered GFA to approximately 0.6 million sq. m. for the year ended 31 December 2024 from approximately 1.2 million sq. m. for the year ended 31 December 2023.

Rental income

Rental income increased slightly by approximately RMB38.8 million, or 8.4%, to approximately RMB498.6 million in 2024 from approximately RMB459.8 million in 2023.

Property management

Revenue from property management services decreased slightly by approximately RMB39.0 million, or 2.4%, to approximately RMB1,619.2 million in 2024 from approximately RMB1,658.2 million in 2023.

Hotel and catering operations

Revenue from hotel and catering operations of the Group decreased by approximately RMB78.2 million, or 23.0% to approximately RMB261.8 million in 2024 from approximately RMB340.0 million in 2023. The decrease was mainly attributable to a drop in the number of hotels during the year.

Cultural centre operations

Revenue from cultural centre operations decreased by approximately RMB65.7 million, or 24.9%, to approximately RMB198.6 million in 2024 from approximately RMB264.3 million in 2023. The decrease was primarily due to a decline in advertising income from cultural centre operations.

Healthcare operations

Revenue from healthcare operations increased by approximately RMB75.8 million, or 12.8%, to approximately RMB666.7 million in 2024 from approximately RMB590.9 million in 2023. The increase was primarily driven by higher sales in healthcare operations due to increase in demand.

Gross profit

As a result of the foregoing, the Group's gross profit decreased by approximately RMB1,460.6 million, or 86.0%, to approximately RMB237.9 million in 2024 from approximately RMB1,698.5 million in 2023. The Group's gross profit margin decreased from 6.5% for the year ended 31 December 2023 to 2.1% for the year ended 31 December 2024, primarily attributable to higher costs for the properties completed and delivered to the purchasers during the year ended 31 December 2024.

Other income, gains and losses, net

The Group had net other losses of approximately RMB15,006.1 million in 2024, as compared to net other losses of approximately RMB7,802.7 million in 2023. The Group's net other losses in 2024 mainly comprised impairments loss recognised for properties under development and completed properties held for sale of approximately RMB11,297.6 million, fair value loss on financial assets at fair value through profit or loss of approximately RMB253.2 million, loss on disposals of property, plant and equipment of approximately RMB699.1 million and net exchange losses of approximately RMB1,516.4 million.

Selling and marketing costs

The Group's selling and marketing costs decreased by approximately RMB138.3 million, or 23.4%, to approximately RMB453.7 million in 2024 from approximately RMB592.0 million in 2023. The decrease in selling and marketing costs was in line with the decrease in the Group's contracted sales for the year ended 31 December 2024.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB513.0 million, or 27.0%, to approximately RMB1,388.1 million in 2024 from approximately RMB1,901.1 million in 2023. The decrease was mainly due to the implementation of the cost control measures.

Fair value loss of investment properties, net

In 2024, the Group recorded fair value loss on investment properties, net of approximately RMB769.6 million (2023: RMB408.9 million). The fair value loss on investment properties was mainly due to the decrease in fair value of certain investment properties resulted from the deteriorated property market.

Impairment loss recognised

The Group's impairment loss recognised for financial assets and financial liabilities increased by approximately RMB832.3 million or 17.7% to approximately RMB5,534.0 million in 2024 from approximately RMB4,701.7 million in 2023, primarily due to an increase in expected credit loss resulted by an increase in long aging receivables.

Finance costs, net

The Group's net finance costs increased by approximately RMB210.5 million or 12.1% to approximately RMB1,947.1 million in 2024 from approximately RMB1,736.6 million in 2023.

Income tax expenses

The Group recorded income tax expenses of approximately RMB143.4 million in 2024 as compared to approximately RMB1,006.4 million in 2023.

Loss and total comprehensive expense for the year

As a result of the foregoing, the Group's loss and total comprehensive expense for the year amounted to approximately RMB29,228.9 million and approximately RMB29,227.7 million, respectively (2023: loss and total comprehensive expense for the year amounted to approximately RMB19,701.6 million and RMB19,677.5 million, respectively).

Liquidity, financial and capital resources

Cash position

As at 31 December 2024, the carrying amount of the Group's cash and bank deposits was approximately RMB2,390.4 million (31 December 2023: approximately RMB3,401.1 million), representing a decrease of 29.7% as compared to that as at 31 December 2023. Certain property development companies of the Group placed a certain amount of pre-sales proceeds to designated bank accounts as collateral for the construction loans. Such collateral will be released after completion of the pre-sales properties or the issuance of the title of the properties, whichever is the earlier. Additionally, as at 31 December 2024, certain of the Group's cash was deposited in certain banks as collateral for the benefit of mortgage loan facilities granted by the banks to the purchasers of the Group's properties. The aggregate of the above collateral amounted to approximately RMB1,692.7 million as at 31 December 2024 (31 December 2023: approximately RMB2,406.3 million).

Borrowings and charges on the Group's assets

As at 31 December 2024, the Group had aggregate borrowings of approximately RMB135,073.6 million (31 December 2023: RMB133,624.0 million), of which approximately RMB118,077.8 million (31 December 2023: RMB117,051.6 million) will be repayable on demand or within 1 year, approximately RMB4,235.5 million (31 December 2023: RMB1,837.3 million) will be repayable between 1 and 2 years, approximately RMB10,728.6 million (31 December 2023: RMB4,112.3 million) will be repayable between 2 and 5 years and approximately RMB2,031.7 million (31 December 2023: RMB10,622.8 million) will be repayable over 5 years.

As at 31 December 2024, the senior notes were secured by the share pledge of the Company's subsidiaries incorporated outside the PRC, and are jointly and severally guaranteed by certain subsidiaries of the Company. The Group's domestic bank loans carried a floating interest rate linking up with the base lending rate of the People's Bank of China. The Group's interest rate risk is mainly from the floating interest rate of domestic bank loans.

Key financial ratios

As at 31 December 2024, the Group has a leverage ratio (i.e. its net debts (total borrowings, net of cash and bank balances, restricted bank balances and cash) over total assets) of 63.0% (31 December 2023: 55.9%). The Group's net current liabilities amounted to approximately RMB51,015.7 million as at 31 December 2024 as compared to net current liabilities of approximately RMB25,442.9 million as at 31 December 2023. The quick ratio (cash and bank deposits divided by short-term borrowings) was 0.02 times as at 31 December 2024 (31 December 2023: 0.03 times), and the current ratio was 0.8 times as at 31 December 2024 (31 December 2023: 0.9 times).

The cash to short-term debt ratio is calculated by dividing cash and bank balances (excluding restricted bank balances and cash) by short-term borrowings. As at 31 December 2024, the Group's cash and bank balances (excluding restricted bank balances and cash) were approximately RMB697.6 million (31 December 2023: RMB994.8 million), and short-term borrowings were approximately RMB118,077.8 million (31 December 2023: RMB117,051.6 million). Therefore, the cash to short-term debt ratio was 0.01 (31 December 2023: 0.01).

The liabilities to assets ratio, after excluding contract liabilities, is calculated by subtracting contract liabilities from total liabilities (including perpetual capital securities) and dividing by total assets minus contract liabilities. As of 31 December 2024, the Group's contract liabilities were approximately RMB18,520.4 million (31 December 2023: RMB20,325.5 million), total liabilities (including perpetual capital securities) were approximately RMB243,771.5 million (31 December 2023: RMB226,446.4 million), and total assets were approximately RMB210,679.7 million (31 December 2023: RMB232,820.7 million). The total liabilities (including perpetual capital securities but excluding contract liabilities) and total assets (minus contract liabilities) were approximately RMB225,251.1 million (31 December 2023: RMB206,120.9 million) and approximately RMB192,159.3 million (31 December 2023: RMB212,495.2 million), respectively. Therefore, the liabilities to asset ratio after excluding contract liabilities was 117.2%, compared to 97.0% of 31 December 2023, representing an increase of approximately 20.2 percentage points.

Cost of borrowings

During the year ended 31 December 2024, the Group's total interest expenses were approximately RMB13,927.6 million, representing an increase of approximately RMB1,397.4 million or 11.2% from approximately RMB12,530.2 million in 2023.

Foreign currency risks

The Group's property development projects are substantially located in China and most of the related transactions are settled in RMB. The Company and certain of the Group's intermediate holding companies which operate in Hong Kong have recognised assets and liabilities in currencies other than RMB. As at 31 December 2024, the Group had borrowings in US dollar and HK dollar with an aggregate carrying amount of approximately RMB85,769.9 million, which are subject to foreign currency exposure.

The Group does not have a foreign currency hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency risks should the need arise.

Financial guarantees

As at 31 December 2024, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB24,312.2 million (31 December 2023: approximately RMB26,269.5 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, the Group would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but the Group would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage.

As of 31 December 2024, the financial guarantees given by the Group relating to the liabilities of the Group's joint ventures and associates and third parties were approximately RMB20,767.6 million (31 December 2023: approximately RMB21,730.8 million). The proceeds of the financings were mainly applied towards property development projects of the joint ventures and associates of the Group.

Employees and remuneration policy

As at 31 December 2024, the Group had 15,225 employees (31 December 2023: 16,667 employees) including 12,013 employees of Kaisa Prosperity Holdings Limited (2168.HK), 861 employees of Kaisa Health Group Holdings Limited (876.HK) and 111 employees of Kaisa Capital Investment Holdings Limited (936.HK). The related employees' costs (including the directors' remuneration) for the year ended 31 December 2024 amounted to approximately RMB934.3 million (2023: RMB1,208.6 million). The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus and cash awards based on individual performance. The Group provides trainings for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their production skills. Further, the Company adopted a share option scheme on 14 June 2019. Further information about the share option scheme will be set out in the annual report.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. The Board is of the view that, for the year ended 31 December 2024, the Company complied with the code provisions on the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

AUDIT COMMITTEE

The Audit Committee assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are independent non-executive Directors of the Company, namely Mr. RAO Yong, Mr. ZHANG Yizhao and Mr. LIU Xuesheng. Mr. RAO Yong is the Chairman of the Audit Committee. The Audit Committee has reviewed the annual results for the year ended 31 December 2024.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report from the external auditor of the Company:

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 to the consolidated financial statements, for the year ended 31 December 2024, the Group recorded a loss attributable to owners of the Company of approximately RMB28,534 million and as at 31 December 2024, its current liabilities exceeded its current assets by approximately RMB51,016 million. These conditions, along with other matters as set forth in Note 2.2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. The directors, having considered the measures and plans being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix C3 to the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2024.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees of the Group, who are likely to be in possession of inside information of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

SCOPE OF WORK OF THE AUDITORS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2024 have been agreed by the Group's auditor, SFAI (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by SFAI (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by SFAI (HK) CPA Limited on the preliminary announcement.

FINAL DIVIDEND

The Directors does not recommended the payment of a final dividend for the year ended 31 December 2024 (2023: nil).

PUBLICATION OF THE 2024 ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's Annual Report for the year ended 31 December 2024 will be published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.kaisagroup.com in due course.

ANNUAL GENERAL MEETING

The AGM will be held on Wednesday, 25 June 2025 and a notice convening the AGM will be published and dispatched in the manner as required by the Listing Rules on the Stock Exchange in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders of the Company who are entitled to attend and vote at the forthcoming AGM to be held on Wednesday, 25 June 2025, the register of members of the Company will be closed from Friday, 20 June 2025 to Wednesday, 25 June 2025, both days inclusive. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 19 June 2025.

By Order of the Board
KAISA GROUP HOLDINGS LTD.
Kwok Ying Shing
Chairman and Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Mai Fan, Mr. Li Haiming, Mr. Kwok Hiu Kwan, Ms. Luo Tingting, Mr. Song Wei and Mr. Liu Lihao; and the independent non-executive directors are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Liu Xuesheng.