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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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Kaisa Group Holdings Ltd. (the “**Company**”) announces the unaudited interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in 2024.

FINANCIAL HIGHLIGHTS

- Total revenue for the six months ended 30 June 2025 decreased by 31.8% to approximately RMB3,701.0 million from the corresponding period in 2024.
- Gross profit for the six months ended 30 June 2025 decreased by 37.8% to approximately RMB462.7 million and the gross profit margin for the period was 12.5%.
- Loss for the six months ended 30 June 2025 increased by 12.3% to approximately RMB10,096.7 million from the corresponding period in 2024.
- Contracted sales of the Group, together with its joint ventures and associated companies for the six months ended 30 June 2025, decreased by 43.7% to approximately RMB2,003 million.
- No interim dividend was declared for the six months ended 30 June 2025.

* For identification purposes only

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		Unaudited Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
Revenue	4	3,700,964	5,428,581
Cost of sales		<u>(3,238,229)</u>	<u>(4,684,268)</u>
Gross profit		462,735	744,313
Other income, gains and losses, net	5	(5,294,652)	(3,293,358)
Selling and marketing costs		(131,927)	(243,989)
Administrative expenses		(472,983)	(710,042)
Fair value losses of investment properties, net		(294,612)	(489,190)
Gain on disposals of subsidiaries, net		18	–
Impairment loss recognised	6	<u>(1,646,488)</u>	<u>(2,670,274)</u>
Operating loss		(7,377,909)	(6,662,540)
Share of results of associates		(1,046,885)	(1,517,311)
Share of results of joint ventures		(100,102)	52,023
Finance income	7	3,091	5,945
Finance costs	7	<u>(1,204,873)</u>	<u>(945,126)</u>
Loss before income tax	8	(9,726,678)	(9,067,009)
Income tax (expenses)/credit	9	<u>(369,988)</u>	<u>73,097</u>
Loss for the period		<u>(10,096,666)</u>	<u>(8,993,912)</u>
(Loss)/Profit for the period attributable to:			
– Owners of the Company		(10,030,459)	(9,115,416)
– Non-controlling interests		<u>(66,207)</u>	<u>121,504</u>
		<u>(10,096,666)</u>	<u>(8,993,912)</u>
		RMB per share	RMB per share
Loss per share			
– Basic	10	(1.430)	(1.299)
– Diluted	10	<u>(1.430)</u>	<u>(1.299)</u>

	Unaudited	
	Six months ended 30 June	
	2025	2024
Notes	RMB'000	RMB'000
Loss for the period	(10,096,666)	(8,993,912)
Other comprehensive (expense) income for the period, net of tax		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Share of other comprehensive (expenses) income of associates	(823)	1,280
Exchange differences on translation of foreign operations	36,987	(5,462)
Other comprehensive income (expense) for the period	36,164	(4,182)
Total comprehensive expense for the period	(10,060,502)	(8,998,094)
Total comprehensive (expense) income for the period attributable to:		
– Owners of the Company	(9,998,116)	(9,116,605)
– Non-controlling interests	(62,386)	118,511
	(10,060,502)	(8,998,094)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2025

		Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
	Notes		
Non-current assets			
Property, plant and equipment		4,227,335	4,317,377
Right-of-use assets		582,617	611,554
Investment properties		8,067,838	8,409,800
Land use rights		358,195	364,866
Goodwill and intangible assets		859,206	875,898
Investments in associates		13,333,805	14,381,513
Investments in joint ventures		7,346,047	7,446,149
Financial assets at fair value through profit or loss		1,216,272	1,336,990
Deposits and other receivables		8,300	3,649
Deferred tax assets		1,105,278	1,111,395
Total non-current assets		37,104,893	38,859,191
Current assets			
Properties under development		69,864,491	73,658,253
Completed properties held-for-sale		17,040,622	17,531,998
Inventories		336,980	386,519
Trade receivables, prepayments, deposits and other receivables	12	36,330,801	37,497,730
Deposits for land acquisition		2,509,705	2,483,257
Prepayments for proposed development projects		36,304,122	36,964,847
Financial assets at fair value through profit or loss		979,866	907,510
Restricted bank balances and cash		1,420,409	1,692,711
Cash and bank balances		749,047	697,649
Total current assets		165,536,043	171,820,474
Current liabilities			
Contract liabilities		16,467,535	18,520,388
Accrued construction costs		9,921,263	11,517,764
Other payables		68,670,610	61,923,817
Income tax payable		13,033,093	12,651,233
Lease liabilities		140,978	145,110
Borrowings	13	119,252,045	118,077,834
Total current liabilities		227,485,524	222,836,146
Net current liabilities		(61,949,481)	(51,015,672)
Total assets less current liabilities		(24,844,588)	(12,156,481)

		Unaudited	Audited
		30 June	31 December
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Non-current liabilities			
Other payables		7,395	4,433
Lease liabilities		385,598	425,900
Borrowings	13	14,486,642	16,995,728
Deferred tax liabilities		2,083,804	2,159,258
		<hr/>	<hr/>
Total non-current liabilities		16,963,439	19,585,319
		<hr/>	<hr/>
Net liabilities		(41,808,027)	(31,741,800)
		<hr/>	<hr/>
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		(58,915,297)	(48,917,181)
		<hr/>	<hr/>
Deficit attributable to owners of the Company		(50,574,912)	(40,576,796)
Non-controlling interests		8,766,885	8,834,996
		<hr/>	<hr/>
Total deficit		(41,808,027)	(31,741,800)
		<hr/>	<hr/>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2025

1. GENERAL INFORMATION

Kaisa Group Holdings Ltd. (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 interim 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 unaudited condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

(ii) Application of amendments to HKFRSs

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with the accounting policies adopted in the Group's annual financial statements for the year ended 31 December 2024, except for the adoption of following amended HKFRSs effective as of 1 January 2025.

Amendments to HKAS 21

Lack of Exchangeability

The adoption of the amended HKFRSs in the current period had no material impact on the results and financial positions for the current and prior periods have been prepared and presented.

The Group has not early adopted any other standards, interpretation or amendments that have been issued but are not yet effective.

(iii) Going concern assessment

The directors of the Company have, at the time of approving the unaudited condensed consolidated interim financial statements for the current period, 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 unaudited condensed consolidated interim financial statements.

During the six months ended 30 June 2025, the Group incurred a net loss attributable to the owners of the Company of approximately RMB10,030.5 million (six months ended 30 June 2024: RMB9,115.4 million) and, as of that date, the Group had net current liabilities of approximately RMB61,949.5 million (31 December 2024: RMB51,015.7 million). As at 30 June 2025, the Group had borrowings in the form of senior notes, bank and other borrowings, loans from a related company and controlling shareholder of the Company amounted to approximately RMB133,738.7 million (31 December 2024: RMB135,073.6 million) in aggregate, of which approximately RMB119,252.0 million (31 December 2024: RMB118,077.8 million) were current liabilities, while the Group's restricted bank balances and cash and cash and bank balances were approximately RMB1,420.4 million (31 December 2024: RMB1,692.7 million) and RMB749.0 million (31 December 2024: RMB697.6 million), respectively only. In addition, as at 30 June 2025, the Group's borrowings amounting to approximately RMB114,017.1 million (31 December 2024: RMB114,157.9 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 particular, the sales of properties for the six months ended 30 June 2025 decreased to approximately RMB2,089.8 million (six months ended 30 June 2024: RMB3,691.0 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. In addition, the Group is committed to timely deliver 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, further increasing the Group's liquidity pressure.

Moreover, as disclosed in the Company's announcement dated 8 March 2024, Citicorp International Limited has applied to the High Court of the Hong Kong Special Administrative Region to be substituted as the petitioner for the winding-up of the Company in relation to the Company's non-payment of the 10.875% notes due in 2023 issued by the Company in 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 6 October 2025 and Citicorp International Limited 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 unaudited condensed consolidated interim 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 30 June 2025. 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 30 June 2025. The unaudited condensed consolidated interim 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 unaudited condensed consolidated interim financial statements, the Schemes in Hong Kong, Cayman Islands and British Virgin Islands were sanctioned by the High Court, Cayman Court and Eastern Caribbean Supreme Court respectively. It is a major milestone towards the implementation of the holistic 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 RMB28,798.3 million. The Group had borrowings of approximately RMB16,969.3 million that were secured by the Group's assets, the directors of the Company believe that it is highly probable that these borrowings can be renewed in the next twelve months.

Based on progress in communicating with the lenders and creditors, the directors of the Company believe that the Group is highly probable to obtain continuous 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. Up to the date of approval of these unaudited condensed consolidated interim 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 of these unaudited condensed consolidated interim financial statements, the directors of the Company consider that the majority of the Group's property development projects are in progress according to the schedule, and the Group is able to complete the delivery of its property development projects as planned.

- (iv) The Group continues to actively adjust the sales and pre-sale activities to respond 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 regarding the 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.

Thus, the directors of the Company 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 has 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 of the Company 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 implementing the above-mentioned relevant actions so as to assess whether the Company could reduce operating and administrative costs and achieve cost saving and generate 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 30 June 2025. They are of the opinion that, taking into account the abovementioned Plans and Measures, the directors of the Company 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 30 June 2025. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the unaudited condensed consolidated interim 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 unaudited condensed consolidated interim financial statements.

3. 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 expenses and credit. 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 six months ended 30 June 2025 and 30 June 2024 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
<u>Six months ended 30 June 2024</u>								
<u>Revenue and results</u>								
Revenue	3,691,046	266,661	940,371	118,784	95,546	348,183	158,053	5,618,644
Less: Inter-segment revenue	–	(59,399)	(113,999)	(2,151)	(12,662)	–	(1,852)	(190,063)
Revenue from external customers	<u>3,691,046</u>	<u>207,262</u>	<u>826,372</u>	<u>116,633</u>	<u>82,884</u>	<u>348,183</u>	<u>156,201</u>	<u>5,428,581</u>
<u>Results</u>								
Segment results before the items below:	(5,227,019)	101,731	141,424	6,238	(103,497)	23,141	(951,504)	(6,009,486)
Fair value losses of investment properties, net	–	(489,190)	–	–	–	–	–	(489,190)
Share of results of associates	(1,478,863)	–	3,772	–	–	–	(42,220)	(1,517,311)
Share of results of joint ventures	<u>57,137</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(5,114)</u>	<u>52,023</u>
Segment results	(6,648,745)	(387,459)	145,196	6,238	(103,497)	23,141	(998,838)	(7,963,964)
Fair value losses on financial assets at FVTPL, net								(73,888)
Corporate and other unallocated expenses								(89,976)
Finance income								5,945
Finance costs								<u>(945,126)</u>
Finance costs, net								<u>(939,181)</u>
Loss before income tax								(9,067,009)
Income tax credit (note 9)								<u>73,097</u>
Loss for the period								<u>(8,993,912)</u>

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2025 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
Six months ended 30 June 2025								
Revenue and results								
Revenue	2,089,839	285,579	846,169	107,825	92,930	304,225	124,555	3,851,122
Less: Inter-segment revenue	-	(60,822)	(74,265)	(1,921)	(7,473)	-	(5,677)	(150,158)
Revenue from external customers	<u>2,089,839</u>	<u>224,757</u>	<u>771,904</u>	<u>105,904</u>	<u>85,457</u>	<u>304,225</u>	<u>118,878</u>	<u>3,700,964</u>
Results								
Segment results before the items below:	(6,816,268)	444,065	135,111	12,132	(9,295)	21,715	(780,299)	(6,992,839)
Gain on disposal of subsidiaries, net	18	-	-	-	-	-	-	18
Fair value losses on investment properties, net	-	(294,612)	-	-	-	-	-	(294,612)
Share of results of associates	(1,048,472)	-	4,407	-	-	-	(2,820)	(1,046,885)
Share of results of joint ventures	(100,107)	-	-	-	-	-	5	(100,102)
Segment results	<u>(7,964,829)</u>	<u>149,453</u>	<u>139,518</u>	<u>12,132</u>	<u>(9,295)</u>	<u>21,715</u>	<u>(783,114)</u>	<u>(8,434,420)</u>
Fair value losses on financial assets at FVTPL, net								(22,046)
Corporate and other unallocated expenses								(68,430)
Finance income								3,091
Finance costs								<u>(1,204,873)</u>
Finance costs, net								<u>(1,201,782)</u>
Loss before income tax								(9,726,678)
Income tax expenses (note 9)								<u>(369,988)</u>
Loss for the period								<u>(10,096,666)</u>

(b) Geographical information

As the CODM considers most of the revenue and results of the Group for the six months ended 30 June 2025 and 30 June 2024 are attributable to the market primarily in the PRC, and over 90% of the Group's assets as at 30 June 2025 and 31 December 2024 are located in the PRC, no geographical segment information is presented.

(c) **Information about major customers**

For the six months ended 30 June 2025 and 30 June 2024, none of the Group's customers accounted for more than 10% of the Group's total revenue.

4. 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 six months ended 30 June 2025 and 30 June 2024, the Group's operating activities are attributable to seven 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

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.*

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>		
Sales of properties	2,089,839	3,691,046
Provision of property management service	771,904	826,372
Provision of hotel and catering operations services	105,904	116,633
Provision of cultural centre operations services	85,457	82,884
Provision of healthcare operations services	304,225	348,183
Others	118,878	156,201
	3,476,207	5,221,319
<i>Revenue from other sources</i>		
Rental from leasing of properties	224,757	207,262
	3,700,964	5,428,581

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

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>		
– Over time	963,265	1,025,889
– At a point in time	2,512,942	4,195,430
	3,476,207	5,221,319

5. OTHER INCOME, GAINS AND LOSSES, NET

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Dividend income from financial assets at FVTPL	760	–
Forfeited customer deposits	–	4,574
Government subsidy income	3,927	8,768
Gain/(loss) on disposal of property, plant and equipment, net	54	(813,454)
Exchange gain/(losses), net	469,456	(452,396)
Gain on disposals of financial assets at FVTPL, net	11,317	–
Fair value loss on financial assets at FVTPL, net	(22,046)	(73,888)
Impairment loss recognised for investments in associates	–	(288,124)
Impairment loss recognised for properties under development and completed properties held for sale	(6,213,390)	(1,590,613)
Reversal of written-off of trade receivables, deposits and other receivables	485,625	–
Others	(30,355)	(88,225)
	(5,294,652)	(3,293,358)

6. IMPAIRMENT LOSS RECOGNISED

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Impairment loss recognised (reversed) 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	1,582,780	2,734,238
– Financial liabilities in respect of financial guarantees regarding liabilities of the Group's associates and joint ventures and third parties	63,708	(63,964)
	1,646,488	2,670,274

7. FINANCE INCOME AND FINANCE COSTS

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Finance income		
Interest income on bank deposits	3,091	5,945
Finance costs		
Interest expense:		
– Bank borrowings	806,518	710,294
– Other borrowings	1,817,593	1,541,104
– Senior Notes	4,217,783	4,331,127
– Lease liabilities	3,149	1,016
Total interest expenses	6,845,043	6,583,541
Less: interests capitalised	(5,640,170)	(5,638,415)
	1,204,873	945,126

8. LOSS BEFORE INCOME TAX

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

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Staff cost, including directors' remuneration		
– Staff salaries and allowances	229,546	424,927
– Performance bonus	–	–
– Equity-settled share-based payment expenses	–	1,639
– Contributions to defined contribution retirement schemes	10,842	19,790
	240,388	446,356
Gross rental income from investment properties	224,757	207,262
Less: Outgoing in respect of investment properties that generated rental income during the period	(76,357)	(93,543)
	148,400	113,719
Others:		
Depreciation and amortisation:		
– Property, plant and equipment	122,864	144,800
– Right-of-use assets	23,957	32,823
– Land use rights	6,671	6,738
– Intangible assets	16,692	17,300
Minimum lease payments under operating leases	620	205
Cost of sales	3,238,229	4,684,268

9. INCOME TAX EXPENSES/(CREDIT)

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current income tax		
– PRC enterprise income tax	80,754	48,312
– PRC land appreciation tax	366,967	84,693
Deferred income tax	(77,733)	(206,102)
	369,988	(73,097)

10. LOSS PER SHARE

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

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Loss for the period attributable to owners of the Company	(10,030,459)	(9,115,416)
Number of shares	2025	2024
	<i>(number of shares'000)</i>	
Weighted average number of ordinary shares in issue during the period	7,015,469	7,015,469

The computation of diluted loss per share for the six months ended 30 June 2025 and 2024 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 six months ended 30 June 2025 and 30 June 2024.

11. DIVIDENDS

No interim dividends were paid, declared or proposed for the six months ended 30 June 2025 and 2024, nor has any dividend been proposed since the end of the reporting periods.

12. 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:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 90 days	653,571	477,147
Over 90 days and within 180 days	104,955	92,360
Over 180 days and within 270 days	77,428	285,929
Over 270 days and within 365 days	77,024	108,279
Over 365 days	1,057,208	798,783
	1,970,186	1,762,498
Less: Provision for expected credit loss (“ECL”) allowances	(668,099)	(501,956)
	1,302,087	1,260,542

13. BORROWINGS

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Borrowings comprise:		
– Senior Notes	82,928,623	83,273,840
– Bank borrowings	20,101,353	20,334,066
– Other borrowings	30,484,930	31,241,875
– Loan from a related company	108,781	108,781
– Loan from the controlling shareholder of the Company	115,000	115,000
	133,738,687	135,073,562
Less: current portion	(119,252,045)	(118,077,834)
	14,486,642	16,995,728
Amounts shown under non-current liabilities		
Analysed as:		
– Fixed-rated bank and other borrowings	111,032,925	110,234,884
– Variable-rated bank and other borrowings	22,705,762	24,838,678
	133,738,687	135,073,562
Analysed as:		
– Senior Notes	82,928,623	83,273,840
– Secured	33,224,660	33,603,468
– Unsecured	17,585,404	18,196,254
	133,738,687	135,073,562

14. COMMITMENTS

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Contracted but not provided for		
– Acquisitions of land use rights and property development activities	11,292,484	11,300,005
– Acquisitions of subsidiaries	13,000,000	13,000,000
	<u>24,292,484</u>	<u>24,300,005</u>

(b) Lease commitments

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

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Not later than one year	<u>313</u>	<u>330</u>

(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:

	Unaudited 30 June 2025 RMB'000	Audited 31 December 2024 RMB'000
Within 1 year	190,686	201,310
After 1 year but within 2 years	160,460	173,366
After 2 years but within 3 years	118,617	130,785
After 3 years but within 4 years	82,403	89,233
After 4 years but within 5 years	73,971	81,808
After 5 years	178,055	184,487
	<u>804,192</u>	<u>860,989</u>

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Kaisa Group Holdings Ltd. (“**Kaisa**” or the “**Company**”, which together with its subsidiaries is referred to as the “**Group**”), I present the results of the Group for the six months ended 30 June 2025 (the “**period**”) and the comparative figures for the corresponding period in 2024.

RESULTS AND DIVIDEND

For the six months ended 30 June 2025, the Group’s turnover and gross profit were approximately RMB3,701.0 million and RMB462.7 million, representing decreases of approximately 31.8% and 37.8% as compared to the corresponding period in 2024, respectively. Loss attributable to equity holders of the Company and basic loss per share amounted to approximately RMB10,030.5 million and RMB1.430, respectively (corresponding period in 2024: loss of approximately RMB9,115.4 million and basic loss per share of RMB1.299).

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

BUSINESS REVIEW

Property Market and Policies

In the first half of 2025, the global economy faced multiple challenges including weakening growth momentum, intensifying geopolitical risks, and rising trade barriers. Against this backdrop, China implemented a proactive fiscal policy alongside a prudent yet flexible monetary policy. On the fiscal side, fiscal measures accelerated the expansion of ultra-long special national bonds and special-purpose bonds, primarily channeled into new infrastructure and livelihood projects. On the monetary side, market liquidity was continually optimized through monetary tools such as reserve requirement ratio cuts and interest rate reductions, reducing costs and improving efficiency for the real economy. China’s GDP grew by 5.3% year-on-year in the first half of the year, demonstrating steady and sound economic performance. This laid a solid foundation for achieving the annual economic targets and created a favorable environment for industrial transformation and upgrading.

In respect of the property market, policymakers consistently signaled an easing stance, facilitating industry stabilization. Since the beginning of the year, central authorities and relevant departments have intensively rolled out favorable policies, implementing multiple measures focusing on inventory reduction, demand stimulation, transformation acceleration, and risk mitigation. These measures include special-purpose bond-funded acquisitions of idle land parcels and commodity housing, accelerating urban village renewal, lowering the over-five-year LPR, and advancing the construction of “Good Housing”. Data shows that, floor area of new commodity housing sold fell by 3.5% year-on-year in the first half of the year, with the rate of decline narrowing by 15.5 percentage points from the same period last year and 9.4 percentage points from last year. Overall, as the effects of such policy efforts have gradually materialized, market confidence has steadily recovered, and the industry has taken solid strides toward building a new development model.

Securing Livelihood, Ensuring Delivery, and Guaranteeing Quality

For the six months ended 30 June 2025, the Group, together with its joint ventures and associates, recorded contracted sales of approximately RMB2,003 million.

Kaisa implemented city-specific policies based on market changes, and adopted flexible marketing strategies. While making greater efforts in project sales, we actively promoted the sale of non-residential assets such as parking spaces and shops, and the operation of asset leasing to maximize fund revitalization to ensure delivery and operation. During the period, Kaisa fulfilled its responsibilities, overcame difficulties, and resolutely implemented the work of “securing livelihood, ensuring delivery, and guaranteeing quality”. Half a year before delivery, the customer service team spearheaded the establishment of a task force for project delivery and formulated an overall project delivery plan. We ensured construction quality from the perspective of customers, and conducted multiple rounds of simulated inspection and risk investigation with engineering teams to strictly control delivery quality. One-stop occupancy services were provided to property owners at the delivery sites, and property owners were accompanied by a professional home inspector throughout the one-on-one inspection and acceptance process. In the first half of 2025, the Group delivered a total of 12 projects amounting to approximately 5,076 units in various cities including Shenzhen, Guangzhou, Chongqing, Chengdu, Kunming, Hefei, Luoyang, Xuzhou, Shantou and Jiangmen etc., vigorously promoting the work of ensuring delivery.

Kaisa actively responded to the national “Good Housing” construction standards, adopting a customer needs-driven approach to design and create high-quality and high-standard products, providing comfortable and livable living environments for customers. Kaisa is upgrading all commercial projects by implementing the Pet-Friendly Service Standard (《寵物友好服務標準》), establishing pet rest zones and curating specialized service merchants to explore mutual development between urban humanistic elements and commercial spaces. During the first half of the year, various projects delivered by the Group, including Henan Luoyang Center Phase Five, Guangzhou Nansha Phoenix Mansion, Jiangmen Yuefeng Mansion and Yuedong Specular Moon etc., amounting to a total GFA of more than 376,000 sq.m., achieved the national green building standard. Kaisa upholds a premium product philosophy, enhances project delivery capabilities while creating high-quality living environments and culturally vibrant communities.

Land Bank

Deepening its penetration in the first-tier and major second-tier cities has always been the development strategy of the Group. As at 30 June 2025, the Group had a total of 164 real estate projects in 44 cities nationwide, with a total land bank of 20.75 million sq.m., of which approximately 12.60 million sq.m. or 61% of the Group’s total land bank are located in the Greater Bay Area. Among cities in the Greater Bay Area, Shenzhen and Guangzhou are the Group’s core markets that have been intensely developed over the years, accounting for 42% of its land bank in the Greater Bay Area.

Urban Renewal

Since the beginning of the year, national support for urban renewal has entered a substantive stage, with the policy focus shifting from macro guidance toward concrete fiscal and financial implementation. In April, the Ministry of Finance and the Ministry of Housing and Urban-Rural Development jointly announced the 2025 Central Fiscal Support Plan, for the first time permitting special-purpose bonds to fund acquisitions of existing commodity residential housing for conversion into affordable housing. In May, the General Office of the CPC Central Committee and the State Council issued the Opinions on Continuously Promoting Urban Renewal Actions (《關於持續推進城市更新行動的意見》), outlining eight key tasks and proposing the goals of building “good housing, good neighborhoods, good communities, and good urban districts”. In June, the State Council deployed “Good Housing” construction while simultaneously implementing the new edition of the Residential Project Standards (《住宅項目規範》), further driving urban renewal toward high-quality development advancement.

Against this backdrop, Shenzhen has issued the Several Opinions on Standardizing Urban Renewal Implementation Work (《關於規範城市更新實施工作的若干意見》), along with supporting policies concerning allocation and construction of affordable housing and resolution of historically unresolved issue, constructing a policy system for strictly controlling new supply, revitalizing existing inventory, safeguarding people’s livelihoods, and upgrading the industry. Through reforms including optimization of allocation ratios, hardship household handling mechanisms, industrial orientation, approval processes, and fund supervision, project efficiency and social benefits are enhanced. The systematic implementation of this integrated policy package provided opportunities for the Group to accelerate key projects, revitalize assets, and explore new models, consolidating the foundation for high-quality sustainable development.

As at 30 June 2025, the Group had more than 100 urban renewal projects in the Greater Bay Area which were yet to be converted into land bank of the Group, covering a site area of approximately 31.0 million sq.m.. The Group plans to convert the land bank for urban renewal as high-quality resources available for sale and at the same time to provide a full-process renewal service model, empowering urban industrial upgrading and contributing to the construction of high-quality and sustainable development system for cities.

Financing

In the first half of 2025, real estate policies maintained a tone of relaxation. Centered on the goals of “stabilizing the market, preventing risks, and promoting transformation”, central-level policies continually strengthened efforts to stabilize market expectations, increase financial support, and advance urban renewal initiatives. At the local level, authorities promptly introduced multiple market-stabilizing measures, including implementing special-purpose bond-funded acquisitions of housing inventory, rolling out new housing provident fund policies, enacting consumption-stimulating measures, and further relaxing administrative restrictions to unleash rigid and upgraded housing demand. However, industrial risks have not yet been fully resolved, and financial institutions maintained a cautious stance toward real estate enterprises, especially private real estate enterprises, resulting in financing difficulties and elevated financing costs for private real estate enterprises.

Against such backdrop, the Group persisted in making proactive efforts in debt management and expansion of financing channels to support the Group's liquidity. At the same time, the Group actively pursued extensions of maturities and interest rate reductions for existing financing arrangements, driving a sustained decline in financing costs from the end of 2024. The Group continued to explore new cooperation models, capitalizing on policy tailwinds through multi-pronged initiatives and promoting the implementation of cooperative revitalization plans for multiple projects during the first half of the year. Relying on the abundant land bank in the Greater Bay Area and the core advantages in the urban renewal sector, the Group will continue to explore sustainable development pathways to contribute to urban structural optimization, quality enhancement, and living environment improvement, while simultaneously accumulating strength for its sustained operational growth.

In terms of offshore debt restructuring, the Group with its financial and legal advisors have been actively engaging with the Ad Hoc Group of creditors (the “**AHG**”) and its advisors on the formulation of a mutually agreed holistic debt restructuring plan over the past years. In 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. Besides, holders of approximately 75.11% of the aggregate outstanding principal amount of the Kaisa In-Scope Debt (as defined in the RSA) and approximately 81.07% of the aggregate outstanding principal amount of the Rui Jing In-Scope Debt (as defined in the RSA) have acceded to the RSA. During the period, a number of Scheme meetings were held, all of which had been approved by the requisite majority of creditors of the respective Schemes, and all the Schemes were sanctioned by the relevant courts. The Group will make further announcement(s) on the latest progress of the Restructuring as and when appropriate.

PROSPECTS

Looking ahead, China's macroeconomic policies will continue to play a pivotal role in supporting steady and healthy economic development. On one hand, consumption growth in the second half of the year is likely to see additional policy support, alongside continued optimization of consumption structure and an increased share of service consumption. On the other hand, the central government may implement more proactive fiscal policies and appropriately accommodative monetary policies, with incremental reserve policies potentially introduced if necessary. Regarding the real estate market, intensified market-stabilizing policies are projected for the second half of the year. With the full implementation of urban renewal and land acquisition and reserve policies, a new dynamic balance in supply-demand relationships is likely to accelerate in the real estate market, potentially alleviating inventory pressures of the industry. Simultaneously, scaling up “Good Housing” supply will catalyze the release of both rigid and upgrading housing demand, and construction of a new model of real estate development, facilitating the transition toward a stable and healthy market development.

In the future, the Group will take “risk mitigation, model innovation, and high-quality development” as its core strategy, accelerate its return to the right track of healthy development, adhere to the profit and cash flow-centric business strategy, and actively explore a new model of asset-light, high-quality and sustainable development.

ACKNOWLEDGEMENT

The Board will continue to take proactive measures to mitigate the operating risks of the Group. We firmly believe that under the escort of macroeconomic policies and amid industry transformation opportunities, the Group will persist in prioritizing both sustainable development and strategic innovation, striving relentlessly to return to a virtuous development track.

On behalf of the Board, I would like to take this opportunity to extend my wholehearted gratitude to all shareholders, investors, business partners and customers of the Company. We will overcome the difficulties together hand in hand to maximize the value and returns to our shareholders and investors.

KWOK Ying Shing
Chairman

Hong Kong, 28 August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Overall performance

During the six months ended 30 June 2025, the Group recorded revenue of approximately RMB3,701.0 million, representing a decrease of 31.8% as compared with approximately RMB5,428.6 million for the corresponding period in 2024. Loss for the period amounted to approximately RMB10,096.7 million as compared to loss of RMB8,993.9 million for the six months ended 30 June 2024. Loss for the period attributable to owners of the Company amounted to approximately RMB10,030.5 million as compared to loss of approximately RMB9,115.4 million for the six months ended 30 June 2024. Basic loss per share amounted to RMB1.430 (six months ended 30 June 2024: loss of RMB1.299).

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

Contracted sales in the first half of 2025

In the first half of 2025, the Group together with its joint ventures and associates recorded contracted sales of approximately RMB2,003 million. Aggregated GFA sold for the period was 171,315 sq. m.. The table below shows the contracted sales by region in the first half of 2025:

Region	Contracted sales area (sq.m.)	Contracted sales amount (RMB in millions)
Greater Bay Area	103,172	1,556
Yangtze River Delta	10,899	107
Central China	2,022	12
Western China	37,608	143
Pan-Bohai Bay Rim	17,614	185
Total	171,315	2,003

Property development

Projects completed in the first half of 2025

The Group adopts a strict and prudent practice in project development and adjusts its pace of business expansion as and when appropriate. During the six months ended 30 June 2025, the GFA of newly completed projects of the Group together with its joint ventures and associates amounted to approximately 0.33 million sq. m..

Projects under development

As at 30 June 2025, the Group together with its joint ventures and associates had 64 projects under development with an aggregate of GFA of approximately 7.03 million sq. m..

Property management

The Group generated revenue from providing property management services. During the six months ended 30 June 2025, the Group managed a total GFA of approximately 99.9 million sq. m.. The Group's property management is striving to deliver excellent and professional services to its customers and enhance brand and corporate image. As at 30 June 2025, the Group's property services penetrated into 77 cities nationwide, covering residential, commercial, office, tourism and large-scale stadiums.

Investment properties

The Group adopts a diversified business strategy. The portfolio of 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 long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 30 June 2025, 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 Company, availability of land supply and its existing land bank in the regions. By ways such as joint development, acquisition and bidding, auction and listing as well as urban renewal, the Group continues to seek project resources in China's regions where economy prospers.

As at 30 June 2025, the Group together with its joint ventures and associates had a total land bank of approximately 20.75 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's revenue was primarily derived 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 for the six months ended 30 June 2025 decreased by 31.8% to approximately RMB3,701.0 million from approximately RMB5,428.6 million for the corresponding period in 2024. 56.5% of the Group's revenue was generated from the sales of properties (six months ended 30 June 2024: 68.0%) and 43.5% from other segments (six months ended 30 June 2024: 32.0%).

Sales of properties

Revenue from sales of properties decreased by approximately RMB1,601.2 million, or 43.4%, to approximately RMB2,089.8 million for the six months ended 30 June 2025 from approximately RMB3,691.0 million for the corresponding period in 2024. The decrease was attributable to the decrease in total delivered GFA to approximately 0.11 million sq. m. for the six months ended 30 June 2025 from approximately 0.28 million sq. m. for the corresponding period in 2024.

Rental income

Revenue from rental income increased by approximately RMB17.5 million, or 8.4%, to approximately RMB224.8 million for the six months ended 30 June 2025 from approximately RMB207.3 million for the corresponding period in 2024.

Property management

Revenue from property management service decreased by approximately RMB54.5 million, or 6.6%, to approximately RMB771.9 million for the six months ended 30 June 2025 from approximately RMB826.4 million for the corresponding period in 2024.

Hotel and catering operations

Revenue from hotel and catering operations of the Group decreased by approximately RMB10.7 million, or 9.2% to approximately RMB105.9 million for the six months ended 30 June 2025 from approximately RMB116.6 million for the corresponding period in 2024.

Cultural centre operations

Revenue from cultural centre operations increased by approximately RMB2.6 million, or 3.1%, to approximately RMB85.5 million for the six months ended 30 June 2025 from approximately RMB82.9 million for the corresponding period in 2024.

Healthcare operations

Revenue from healthcare operations decreased by approximately RMB44.0 million, or 12.6%, to approximately RMB304.2 million for the six months ended 30 June 2025 from approximately RMB348.2 million for the corresponding period in 2024.

Gross profit

As a result of the foregoing, the Group's gross profit decreased by approximately RMB281.6 million, or 37.8%, to approximately RMB462.7 million for the six months ended 30 June 2025 from approximately RMB744.3 million for the corresponding period in 2024. The Group's gross profit margin decreased from 13.7% for the six months ended 30 June 2024 to 12.5% for the six months ended 30 June 2025, primarily attributable to higher costs for the properties completed and delivered to the purchasers during the six months ended 30 June 2025.

Other income, gains and losses – net

The Group had net other losses of approximately RMB5,294.7 million for the six months ended 30 June 2025, as compared with approximately RMB3,293.4 million for the corresponding period in 2024. The Group's net other gains and losses for the six months ended 30 June 2024 mainly comprised the write-down of completed properties held for sale and properties under development of approximately RMB1,590.6 million, net exchange losses of approximately RMB452.4 million and net loss on disposal of property, plant and equipment of approximately RMB813.5 million. The Group's net other income, gains and losses for the six months ended 30 June 2025 mainly comprised the write-down of completed properties held for sale and properties under development of approximately RMB6,213.4 million, net exchange gain of approximately RMB469.5 million and reversal of written-off of trade receivables, deposits and other receivables of RMB485.6 million.

Selling and marketing costs

The Group's selling and marketing costs decreased by approximately RMB112.1 million, or 45.9%, to approximately RMB131.9 million for the six months ended 30 June 2025 from approximately RMB244.0 million for the corresponding period in 2024. The decrease in selling and marketing costs was in line with the decrease in the Group's contracted sales for the six months ended 30 June 2025.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB237.1 million, or 33.4%, to approximately RMB473.0 million for the six months ended 30 June 2025 from approximately RMB710.0 million for the corresponding period in 2024. The decrease was mainly due to decrease in staff costs.

Fair value losses of investment properties – net

The Group's net fair value losses on investment properties decreased by approximately RMB194.6 million, or 39.8%, to approximately RMB294.6 million for the six months ended 30 June 2025 from approximately RMB489.2 million for the corresponding period in 2024.

Finance costs – net

The Group's net finance costs increased by approximately RMB262.6 million, or 28.0% to approximately RMB1,201.8 million for the six months ended 30 June 2025 from approximately RMB939.2 million for the corresponding period in 2024.

Income tax expenses/credit

The Group's income tax expenses amounted to approximately RMB370.0 million for the six months ended 30 June 2025 as compared to income tax credit of approximately RMB73.1 million for the corresponding period in 2024.

Loss and total comprehensive expense for the six months ended 30 June 2025

As a result of the foregoing, the Group's loss and total comprehensive expense for the six months ended 30 June 2025 amounted to approximately RMB10,096.7 million and approximately RMB10,060.5 million, respectively (six months ended 30 June 2024: loss and total comprehensive expense amounted to approximately RMB8,993.9 million and RMB8,998.1 million, respectively).

Liquidity, financial and capital resources

Cash position

As at 30 June 2025, the carrying amount of the Group's cash and bank deposits (including restricted bank balances and cash) was approximately RMB2,169.5 million (31 December 2024: RMB2,390.4 million), representing a decrease of 9.2% as compared to that as at 31 December 2024. 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 the completion of the pre-sales properties or the issuance of the title of the properties, whichever is the earlier. Additionally, as at 30 June 2025, 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 collaterals (i.e. balance of pre-sale escrow funds) amounted to approximately RMB1,420.4 million as at 30 June 2025 (31 December 2024: RMB1,692.7 million).

Borrowings and charges on the Group's assets

As at 30 June 2025, the Group had aggregate borrowings of approximately RMB133,738.7 million (31 December 2024: RMB135,073.6 million), of which approximately RMB119,252.0 million (31 December 2024: RMB118,077.8 million) will be repayable on demand or within 1 year, approximately RMB2,525.7 million (31 December 2024: RMB4,235.5 million) will be repayable between 1 and 2 years, approximately RMB10,120.0 million (31 December 2024: RMB10,728.6 million) will be repayable between 2 and 5 years and approximately RMB1,841.0 million (31 December 2024: RMB2,031.7 million) will be repayable over 5 years.

As at 30 June 2025, 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 30 June 2025, 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 64.9% (31 December 2024: 63.0%). The Group's net current liabilities amounted to approximately RMB61,949.5 million as at 30 June 2025 as compared to net current liabilities of approximately RMB51,015.7 million as at 31 December 2024. The quick ratio (cash and bank balances divided by short-term borrowings) was 0.02 times as at 30 June 2025 (31 December 2024: 0.02 times), and the current ratio was 0.7 times as at 30 June 2025 (31 December 2024: 0.8 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 30 June 2025, the Group's cash and bank balances (excluding restricted bank balances and cash) were approximately RMB749.0 million (31 December 2024: RMB697.6 million), and short-term borrowings were approximately RMB119,252.0 million (31 December 2024: RMB118,077.8 million). Therefore, the cash to short-term debt ratio was 0.01 (31 December 2024: 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 at 30 June 2025, the Group's contract liabilities were approximately RMB16,467.5 million (31 December 2024: RMB18,520.4 million), total liabilities (including perpetual capital securities) were approximately RMB245,799.0 million (31 December 2024: RMB243,771.5 million), and total assets were approximately RMB202,640.9 million (31 December 2024: RMB210,679.7 million). The total liabilities (including perpetual capital securities but excluding contract liabilities) and total assets (excluding contract liabilities), were approximately RMB229,331.5 million (31 December 2024: RMB225,251.1 million) and approximately RMB186,173.4 million (31 December 2024: RMB192,159.3 million), respectively. Therefore, the liabilities to asset ratio after excluding contract liabilities was 123.2%, compared to 117.2% of 31 December 2024, representing an increase of approximately 6.0 percentage points.

Cost of borrowings

For the six months ended 30 June 2025, the Group's total interest expenses were approximately RMB6,845.0 million, representing an increase of approximately RMB261.5 million or 4.0% as compared with approximately RMB6,583.5 million for the corresponding period in 2024.

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 30 June 2025, the Group had borrowings in US dollar and HK dollar with an aggregate carrying amount of approximately RMB85,308.0 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 exposure should the need arise.

Financial guarantees

As at 30 June 2025, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB22,281.1 million (31 December 2024: RMB24,312.2 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 at 30 June 2025, the financial guarantees given by the Group relating to the liabilities of the Group's joint ventures and associates and third parties were approximately RMB20,643.7 million (31 December 2024: RMB20,767.6 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 30 June 2025, the Group had 14,807 employees (31 December 2024: 15,225 employees) including 11,709 employees of Kaisa Prosperity Holdings Limited (2168.HK), 917 employees of Kaisa Health Group Holdings Limited (876.HK) and 104 employees of Kaisa Capital Investment Holdings Limited (936.HK). The related employees' costs (including the directors' remuneration) for the six months ended 30 June 2025 amounted to approximately RMB240.4 million (six months ended 30 June 2024: RMB446.4 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 share option schemes and a subsidiary share option schemes. Further information of such schemes will be set out in the interim 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 six months ended 30 June 2025, 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 comprise the 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 Group's unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025.

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 six months ended 30 June 2025.

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 six months ended 30 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares). As at 30 June 2025, the Company did not hold any treasury shares.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

PUBLICATION OF THE 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The Company's Interim Report for the six months ended 30 June 2025 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.

By Order of the Board
Kaisa Group Holdings Ltd.
Kwok Ying Shing
Chairman and Executive Director

Hong Kong, 28 August 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, Mr. Liu Xuesheng and Mr. Li Dapeng.