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*This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, its management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.*

# 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)**

## OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued by Kaisa Group Holdings Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.10B of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the announcement (the "**Announcement**") of the Company dated 15 September 2025 in relation to, among others, the occurrence of the Restructuring Effective Date and issue of the new debt instruments by the Company as part of the Restructuring Consideration. Unless otherwise defined, all terms used in this announcement have the same meanings as defined in the Announcement.

Please refer to the attached listing documents (the "**Listing Documents**") in relation to the New Notes, the AHG Work Fee Notes and the MCBs, which are available on the website of the Singapore Exchange Securities Trading Limited.

The posting of the Listing Documents on the website of the Stock Exchange is only for the purpose of facilitating equal dissemination of information to investors in Hong Kong and compliance with Rule 13.10B of the Listing Rules, and not for any other purposes.

The Listing Documents do not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

The Listing Documents must not be regarded as an inducement to subscribe for or purchase of any securities of the Company, and no such inducement is intended. No investment decision should be based on the information contained in the Listing Documents.

On behalf of the Board
**KAISA GROUP HOLDINGS LTD.**
**Kwok Ying Shing**
*Chairman and Executive Director*

Hong Kong, 17 September 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.*

* *For identification purposes only*

# LISTING DOCUMENT

## IN RESPECT OF THE NEW DEBT INSTRUMENTS DESCRIBED HEREIN

## KAISA GROUP HOLDINGS LTD.

**22 May 2025**

This document comprises an listing document pursuant to Section 671 of the Companies Ordinance and in relation to parallel and inter-conditional schemes of arrangement pursuant to Sections 670, 673 & 674 of the Companies Ordinance, Section 86 of the Cayman Islands Companies Act (2023 Revision), and section 179A of the BVI Companies Act proposed by Kaisa Group Holdings Ltd., a company with limited liability incorporated in the Cayman Islands ("**Kaisa**" or the "**Company**") and Rui Jing (as defined below).

The definitions used in this Listing Document are set out in Appendix 2 (*Definitions*) to this Listing Document and Clause 1 (*Definitions and Interpretation*) to the Kaisa Schemes.

**WARNING** – The contents of this Listing Document have not been reviewed by any regulatory authority in the Cayman Islands, the British Virgin Islands, Hong Kong, the PRC, New York, England, Singapore or in any other jurisdiction. Neither the SEC nor any United States state securities commission has approved or disapproved of the Kaisa Scheme Consideration or determined if this Listing Document is truthful or complete. Any representation to the contrary may be a criminal offence. You are strongly encouraged to exercise caution in relation to any offer pursuant to the scheme of arrangement set out in this Listing Document.

This Listing Document does not constitute an offer to sell or a solicitation of an offer to buy any securities. None of the securities referred to in this Listing Document may be sold, issued or transferred in any jurisdiction in contravention of applicable law. The securities proposed to be issued pursuant to the Kaisa Scheme will not be registered with the SEC under the U.S. Securities Act, or the securities law of any state of the United States or other jurisdiction, and are being transferred and delivered in reliance upon certain exemptions from the registration requirements of the U.S. Securities Act. The securities proposed to be issued pursuant to the Kaisa Scheme will be issued and delivered only (i) in the United States to QIBs as defined in Rule 144A and institutional Accredited Investors as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act; and (ii) outside the United States to non-U.S. persons in offshore transactions, in reliance on Regulation S under the U.S. Securities Act.

Application has been made or will be made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of each of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from the SGX-ST, admission of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds to the Official List of the SGX-ST and the listing and quotation of the New Notes or the Mandatory Convertible Bonds on the SGX-ST are not to be taken as an indication of the merits of any of the New Notes, the Mandatory Convertible Bonds, the Company, any guarantees, any guarantors, their respective subsidiaries (if any), their respective associated companies (if any) or their respective joint venture companies (if any) or the quality of disclosure in this Listing Document. Under the rules of the SGX-ST, the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds, if traded on the SGX-ST, are required to be traded in a minimum board lot size of S$ 200,000 (or is equivalent in foreign currencies). Accordingly, for so long as any of the New Notes or the Mandatory Convertible Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, such New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.

**Section 309B Notification –** The New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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## 1. IMPORTANT NOTICES TO SCHEME CREDITORS

**This section contains a number of important notices to Scheme Creditors. All Scheme Creditors are strongly encouraged to carefully review the notices in this section and, if necessary, seek and obtain independent legal, tax and/or financial advice.**

As part of the Group's objective and plan to comprehensively restructure its offshore indebtedness, the Group will implement schemes of arrangement in Hong Kong and the British Virgin Islands by Kaisa (the "**Kaisa Schemes**") and schemes of arrangement in Hong Kong and the British Virgin Islands by the Company's direct wholly-owned subsidiary, Rui Jing Investment Company Limited (瑞景投資有限公司) ("**Rui Jing**") (the "**Rui Jing Schemes**"). The Kaisa Schemes and the Rui Jing Schemes are inter-conditional. Kaisa Scheme Creditors who hold Existing Securities, DB Loan or TFI Loan may also be a Rui Jing Scheme Creditor.

**SCHEME DOCUMENTS FOR THE KAISA SCHEMES AND THE RUI JING SCHEMES ARE ALSO AVAILABLE ON THE TRANSACTION PORTAL. ALL SCHEME CREDITORS ARE STRONGLY ENCOURAGED TO READ THE DOCUMENTS RELATING TO THE RELEVANT SCHEMES. IF YOU ARE A SCHEME CREDITOR, YOU WILL BE ENTITLED TO PARTICIPATE IN THE SCHEMES (INCLUDING TO CAST VOTES AND RECEIVE SCHEME CONSIDERATION).**

### 1.1 Defined terms

The defined terms used in this Listing Document are found in Appendix 1 (*Interpretation*) and Appendix 2 (*Definitions*) to this Listing Document and Clause 1 (*Definitions and Interpretation*) of the Schemes, unless otherwise specified.

### 1.2 Purpose of this Listing Document

This Listing Document has been prepared connection with the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds based on an explanatory statement (the "**Explanatory Statement**") dated 7 February 2025 prepared by the Company in pursuant to Section 671 of the Companies Ordinance, Section 86 of the Cayman Islands Companies Act (2023 Revision) and Section 179A of the BVI Companies Act, and in connection with the Schemes between the Company, Rui Jing and the Scheme Creditors. This Listing Document has been prepared solely for the purpose of providing information to Scheme Creditors in relation to the New Notes, the Mandatory Convertible Bonds and the listing thereof on the SGX-ST.

Nothing in this Listing Document or any other document issued with or appended to it should be relied on for any other purpose. In particular and without limitation, nothing in this Listing Document should be relied on in connection with the purchase or acquisition of any Scheme Claim or any other financial instruments, securities, assets or liabilities of the Company or any other Group company.

Nothing contained in this Listing Document constitutes a recommendation, or the giving of advice, by the Directors, the Company or any other member of the Group to take a particular course of action or to exercise any right conferred by the Kaisa In-

Scope Debt or the Rui Jing In-Scope Debt in relation to, buying, selling, subscribing for, exchanging, redeeming, holding, underwriting, disposing of, or converting Kaisa In-Scope Debt or the Rui Jing In-Scope Debt or any other financial instruments, securities, assets, claims, property interests or liabilities of the Company or any other Group company.

1.3 **Information**

Without prejudice to any representations and warranties to be given by the Company in the Restructuring Documents, nothing contained in this Listing Document shall constitute a representation, warranty, undertaking or guarantee of any kind, express or implied, nor any admission of any fact or liability on the part of the Company or any other member of the Group with respect to any asset to which it may be entitled or any claim against it. Without prejudice to the generality of the foregoing, nothing in this Listing Document or the distribution thereof evidences to any person, or constitutes any admission by the Company or any other member of the Group, that a liability is owed to any person in respect of any claim (including without limitation any Kaisa Scheme Claim or Rui Jing Scheme Claim) or that any person is or may be a Scheme Creditor. The failure to distribute this Listing Document to any Scheme Creditor shall not constitute an admission or determination by the Company or any other member of the Group that such person is not a Scheme Creditor.

No person has been authorised by the Company to give any information or make any representations concerning the Restructuring Documents or the Schemes which is inconsistent with this Listing Document and, if made, such representations shall not be relied upon as having been so authorised.

The information contained in this Listing Document has been prepared based upon information available to the Company up to the date of this Listing Document. The delivery of this Listing Document does not imply that the information herein is correct as at any time subsequent to the date hereof. To the best of the Company's knowledge, information and belief, the information contained in this Listing Document is accurate and does not omit anything likely to affect the import of such information. The Company has taken all reasonable steps to ensure that this Listing Document contains the information reasonably necessary and material for SGX-ST listing purposes.

None of the Group's Advisers, the Ad Hoc Group's Advisers, nor the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent, the Successor Escrow Agent, nor the Information Agent (nor any of its advisers) have independently verified that the accuracy of the information contained in this Listing Document and that this Listing Document does not omit anything likely to affect the import of such information in any material way. Each of the Group's Advisers, the Ad Hoc Group's Advisers, the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent, the Successor Escrow Agent and the Information Agent (and any of its advisers) expressly disclaims responsibility for information contained herein.

This Listing Document has not been reviewed, verified or approved by any rating agency or any regulatory authority. Without prejudice to any representations and warranties to be given by the Company or any other member of the Group in the Restructuring Documents, to the fullest extent permitted by law, the Company and any other member of the Group will have no tortious, contractual or any other liability to any person in connection with the use of this Listing Document and the Company and any other member of the Group will not accept any liability whatsoever to any person, regardless of the form of action, for any lost profits or lost opportunity, or for any indirect, special, consequential, incidental or punitive damages arising from any use of this Listing Document, its contents or preparation or otherwise in connection with it, even if the Company or any other member of the Group has been advised of the possibility of such damages.

None of the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent, the Successor Escrow Agent, nor the Information Agent nor any of their respective directors, officers, employees, agents, affiliates or advisers is acting for, or owes any duty (express or implied) to, any Scheme Creditors in relation to the Schemes, nor will any of them be responsible for providing any advice to any Scheme Creditors in relation to the terms of the New Debt Instruments. Accordingly, neither the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent, the Successor Escrow Agent, nor the Information Agent nor any of their respective directors, officers, employees, agents, affiliates or advisers make any recommendations as to whether any Scheme Creditors should take any of the actions contemplated in the Schemes. The Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent, the Successor Escrow Agent, and the Information Agent (and their respective advisers) each express no opinion on the merits of the Schemes and the terms of the New Debt Instruments. Each of the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent, the Successor Escrow Agent, and the Information Agent (and their respective advisers) has not been involved in negotiating or determining the terms of this Listing Document, the Schemes, the New Debt Instruments and makes no representation that all relevant information has been disclosed to the Scheme Creditors.

The Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent and the Successor Escrow Agent, shall not be responsible for calculating, verifying or paying any amounts payable in relation to the Schemes or any late interest payable (i.e. the interest unpaid at maturity and the interest payable thereafter). Each of the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent and the

Successor Escrow Agent, shall not be required to take any steps to ascertain whether a Scheme Creditor is eligible to receive any Consent Fee under the RSA.

The Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, New Trustees, the New Agents, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent and the Successor Escrow Agent, shall each not be responsible for monitoring the Schemes and shall not be required to take any steps to monitor or ascertain whether any event that triggers the termination of the RSA has occurred and will not be responsible to the Scheme Creditors or any other person for any loss arising from any failure to do so.

Neither the Information Agent, the Blocked Scheme Creditor Tabulation Agent nor any of their respective directors, officers, employees, agents, affiliates or advisers will have any tortious, contractual or any other liability to any person in connection with the determination of whether a Scheme Creditor is a Sanctions-Affected Scheme Creditor. Neither the Information Agent, the Blocked Scheme Creditor Tabulation Agent nor any of their respective directors, officers, employees, agents, affiliates or advisers will accept any liability whatsoever to any person, regardless of the form of action, for any lost profits or lost opportunity, or for any indirect, special, consequential, incidental or punitive damages arising from the determination of whether a Scheme Creditor is a Sanctions-Affected Scheme Creditor, even if the Information Agent, the Blocked Scheme Creditor Tabulation Agent or any of their respective directors, officers, employees, agents, affiliates or advisers have been advised of the possibility of such damages.

Neither the Information Agent, the Blocked Scheme Creditor Tabulation Agent nor any of their respective directors, officers, employees, agents, affiliates or advisers is obliged, under the terms of the Schemes or otherwise, to engage in any transaction or conduct that may give rise to a liability under or in connection with Applicable Sanctions and/or may result in any person becoming a sanctioned person. If compliance with any obligations under the terms of the Schemes or otherwise would result in the Information Agent, the Blocked Scheme Creditor Tabulation Agent or any of their respective directors, officers, employees, agents, affiliates or advisers breaching the Blocking Regulation, that obligation need not be complied with (but only to the extent of the breach).

1.4 **Restrictions**

The distribution of this Listing Document in certain jurisdictions may be restricted by law or regulation. Persons who have obtained this Listing Document are requested to inform themselves about, and to observe, any such restrictions. Failure to comply with any such restrictions could result in a violation of the laws of such jurisdictions for the person.

1.5 **Summary Only**

This Listing Document has been prepared solely for the listing application of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds on the SGX-ST. The full text of the Kaisa Schemes and Rui Jing Schemes are set out in the Explanatory Statements which were made available to each Scheme Creditor separately. Each Scheme Creditor is strongly encouraged to read and consider carefully

the text of the Kaisa Schemes and the Rui Jing Schemes, as applicable. The summary of the principal provisions of the Schemes contained in this Listing Document is qualified in its entirety by reference to the Kaisa Schemes and Rui Jing Schemes themselves.

## 1.6 Forward-looking statements

Nothing in this Listing Document shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company and/or any member of the Group except where otherwise specifically stated.

This Listing Document contains statements, estimates, opinions and projections with respect to the Company and the Group and certain plans and objectives of the Company and the Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "*anticipate*", "*target*", "*expect*", "*estimate*", "*intend*", "*plan*", "*goal*", "*believe*", "*will*", "*may*", "*should*", "*would*", "*could*" or other words of similar import. These statements are based on numerous assumptions and assessments made by the Company as appropriate in light of their experience and perception of historical trends, current conditions, expected future developments and other factors which they believe appropriate. No assurance can be given that such expectations will prove to be correct. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. Such forward-looking statements only speak as at the date of this Listing Document. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors and uncertainties set out in Section 9 (*Risk Factors*) of this Listing Document. Each Scheme Creditor is urged to make its own assessment of the validity of such forward-looking statements and their underlying assumptions and no liability is accepted by the Company in respect of the achievement or failure thereof of such forward-looking statements and assumptions. Without limiting the above, none of the boards of the directors of the companies within the Group assumes any obligation to update or correct any forward-looking statements contained in this Listing Document to reflect any change of expectations with respect thereto or any change in event, situation or circumstances on which any such forward-looking statement was based.

## 1.7 Risk factors

Scheme Creditors' attention is drawn to certain risks and uncertainties associated with the Restructuring that are set out in Section 9 (*Risk Factors*) of this Listing Document.

These important risk factors could cause the Company's and the Group's actual results and future prospects to differ materially from those expressed in this Listing Document (including any forward-looking statements).

**Each Scheme Creditor should carefully read and analyse such risk factors and uncertainties, and fully understand their impact, which may be material and adverse, on its financial condition and prospects. The statement of risk factors is not and is not intended to be an exhaustive statement of such factors or of all**

**possible factors which might influence the decision of Scheme Creditors as regards the Schemes or any investment decision.**

1.8 **Legal, tax and financial advice**

**Without limiting any of the above, Scheme Creditors should not construe the contents of this Listing Document or any other document in connection with the Restructuring as legal, tax or financial advice. Except as otherwise expressly stated in this Listing Document, none of the Company, any member of the Group, any member of the Ad Hoc Group, the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the New Trustees, the Existing Agents, the New Agents, the Advisers, the Holding Period Trustee, the Blocked Scheme Creditor Tabulation Agent and the Successor Escrow Agent or the Information Agent and their respective financial or legal advisers has expressed any opinion as to the merits of the Schemes or with respect to the effect of the Schemes.**

This Listing Document has been prepared without taking into account the objectives, financial or tax situation or needs of any particular recipient of it, and consequently, the information contained in this Listing Document may not be sufficient or appropriate for the purpose for which a recipient might use it. Each Scheme Creditor should conduct its own due diligence and consider the appropriateness of the information in this Listing Document having regard to its own objectives, financial situations and needs. Scheme Creditors are also recommended to consult their own professional advisers as to legal, tax, financial or other aspects relevant to any action Scheme Creditors might take in relation to the Schemes and the Restructuring, or the implications/consequences of such action.

This Listing Document is addressed to Scheme Creditors for their information only and no person should rely on it in formulating or reaching any investment decision other than for Scheme Creditors to make a decision whether or not to approve the Schemes. **Scheme Creditors must rely on their own due diligence and their professional advisers in their decisions with respect to the Schemes and the Restructuring.**

1.9 **Other jurisdictions**

The implications of the Restructuring for Scheme Creditors who are residents or citizens of jurisdictions other than Hong Kong and the Cayman Islands may be affected by the laws of other relevant jurisdictions. Such overseas Scheme Creditors should inform themselves about and observe any applicable legal requirements in their respective jurisdictions. Any person outside of Hong Kong or the Cayman Islands who is resident in, or who has a registered address in, or is a citizen of, an overseas jurisdiction should consult independent professional advisers and satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Schemes and the Restructuring, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction.

1.10 **Financial statements**

The audited consolidated financial statements of the Group and Kaisa for the financial year ended 31 December 2024 are set out in Appendix 4 (*Financial Statements*).

## 2. IMPORTANT SECURITIES LAW NOTICES

**This Listing Document does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in contravention of applicable law. None of the securities referred to in this Listing Document shall be sold, issued or transferred in any jurisdiction in contravention of applicable law.**

### 2.1 General

(a) The distribution of this Listing Document and the offering, sale or delivery of the New Securities are subject to restrictions and may not be made except pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. Therefore, persons who may come into possession of this Listing Document or any other materials relating to the New Securities are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Listing Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

(b) No action has been or will be taken in any jurisdiction by the Company that would or is intended to permit a public offering, or any other offering under circumstances not permitted by applicable law, of the New Securities. Persons into whose hands this Listing Document comes are required by the Company and the Group to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver New Securities or have in their possession, distribute or publish this Listing Document or any other materials relating to the New Securities, in all cases at their own expense.

(c) In order to receive the Scheme Consideration, each Scheme Creditor who is not a Sanctions-Affected Scheme Creditor is required to submit a Custody Instruction by the Custody Instruction Deadline (only applicable for Existing Securityholders and Flourish Noteholders) and a validly completed Account Holder Letter and/or Creditor Proxy Form (as applicable), Distribution Confirmation Deed and, if applicable, a Designated Recipient Form. Kaisa Blocked Scheme Creditors will need to submit (or procure the submission of, as applicable) a validly completed Blocked Scheme Creditor Form to the Holding Period Trustee, together with supporting evidence, in order to receive the applicable Scheme Consideration on the lifting of Applicable Sanctions (if such event occurs before expiry of the Perpetuity Period).

### 2.2 U.S. securities law considerations

(a) The New Securities have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States.

(b) In connection with the issue of the New Securities, the Account Holder Letter and Creditor Proxy Form will require each Scheme Creditor (or its Designated Recipient, as applicable) who wishes to receive its New Securities to confirm, amongst other things, that it (or its Designated Recipient, as applicable) is

eligible to receive and hold such securities and will require any Scheme Creditor (or Designated Recipient, as applicable) who is located in the United States or who is a U.S. person (as defined in Regulation S) and intends to receive its securities to make certain representations and covenants in the Account Holder Letter and Creditor Proxy Form (as applicable). If the confirmations required by the Account Holder Letter and Creditor Proxy Form cannot be or are not given by a Scheme Creditor (or its Designated Recipient), such Scheme Creditor (or its Designated Recipient) will not be eligible to receive the relevant Scheme Consideration.

(c) Unless otherwise approved by the Company, the New Securities will be transferred and delivered within the United States solely to QIBs and Accredited Investors. Outside the United States, the New Securities will be transferred and delivered solely to non-U.S. persons in offshore transactions in reliance on Regulation S.

(d) If you are a U.S. person, or are located in the United States, but you are not a QIB or an Accredited Investor, you are eligible to receive this Listing Document and to participate in the Schemes and the meetings described herein but you will not be eligible to receive any New Securities.

(e) The New Securities will not be listed on any U.S. securities exchange or with any inter-dealer quotation system in the United States. The Company does not intend to take any action to facilitate a market of the New Securities in the United States. Consequently, the Company believes that it is unlikely that an active trading market in the United States will develop for the New Securities.

**The New Securities have not been and will not be registered with the SEC or any U.S. federal, state or other securities commission or regulatory authority and neither the SEC nor any U.S. federal, state or other securities commission or regulatory authority in the United States has registered, approved or disapproved of the Restructuring, including the Schemes, this Listing Document, the New Securities, or any of the Scheme Consideration or passed upon the accuracy or adequacy of the information contained in this Listing Document. Any representation to the contrary is a criminal offence in the United States.**

**The information disclosed in this Listing Document is not necessarily the same as that which would have been disclosed if this Listing Document had been prepared for the purpose of complying with the registration requirements of the U.S. Securities Act, or the exemptions therefrom, or in accordance with the laws and regulations of any state of the United States.**

**Scheme Creditors who are citizens or residents of the United States should consult their own legal, financial and tax advisers with respect to the legal, financial and tax consequences of the Schemes in their particular circumstances.**

**This document is not for general release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.**

2.3 **European Economic Area**

(a) The New Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any EU Retail Investor in the European Economic Area ("**EEA**"). For these purposes, an "**EU Retail Investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client, as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor (an "**EEA Qualified Investor**"), as defined in Article 2 of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the New Securities or otherwise making them available to EU Retail Investors in the EEA has been prepared; and therefore offering or selling the New Securities or otherwise making them available to any EU Retail Investor in the EEA may be unlawful under the EU PRIIPs Regulation.

(b) This Listing Document is not a prospectus for the purposes of the EU Prospectus Regulation. In addition, this Listing Document has been prepared on the basis that all offers of the New Securities in the EEA will be made pursuant to an exemption under the EU Prospectus Regulation, from the requirement to produce a prospectus for offers of the New Securities. Accordingly, any person making or intending to make any offer within the EEA of the New Securities should only do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer. The Company has not authorised and does not authorise the making of an offer of any of the New Securities through any financial intermediary, other than offers made by the Company, as contemplated by this Listing Document.

(c) In relation to each member state of the EEA ("**Member State**"), no offer of New Securities to the public in that Member State may be made other than to an EEA Qualified Investor or in any other circumstances falling within Article 1(3) or Article 1(4) of the EU Prospectus Regulation, provided that no such offer of New Securities shall require the Company to publish a prospectus pursuant to Article 3(1) or Article 3(3) of the EU Prospectus Regulation.

(d) In connection with the issue of the New Securities, the Account Holder Letter and Creditor Proxy Form will require each Scheme Creditor (or its Designated Recipient) who wishes to receive its New Securities to confirm, amongst other things, that it (or its Designated Recipient, as applicable) is an Eligible Person and will require any Scheme Creditor (or its Designated Recipient, as applicable) who is located in a Member State and intends to receive their New Securities to make certain representations and covenants in the Account Holder Letter and Creditor Proxy Form (as applicable), including that it is an EEA Qualified Investor. If the confirmations required by the Account Holder Letter and Creditor Proxy Form cannot be or are not given by a Scheme Creditor (or its Designated Recipient, as applicable), such Scheme Creditor (or its Designated Recipient, as applicable) will not be eligible to receive the relevant New Securities and will not be treated as an Eligible Person.

(e) For the purposes of this provision, the expression an "offer to the public" in relation to the New Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Securities to be offered so as to enable an investor to decide to purchase or subscribe for New Securities.

(f) Any distributor subject to MiFID II that is offering, selling or recommending the New Securities is responsible for undertaking its own target market assessment in respect of the New Securities and determining appropriate distribution channels for the purposes of the MiFID II product governance rules under Commission Delegated Directive (EU) 2017/593.

2.4 **United Kingdom**

(a) The New Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any UK Retail Investor in the United Kingdom ("**UK**"). For these purposes, a "UK Retail Investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Commission Delegated Regulation (EU) 2017/565, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") and as amended; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA (such rules and regulations as amended) to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) no 600/2014, as it forms part of UK domestic law by virtue of the EUWA and as amended; or (iii) not a qualified investor (a "**UK Qualified Investor**"), as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the EUWA and as amended (the "**UK Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014, as it forms part of UK domestic law by virtue of the EUWA and as amended (the "**UK PRIIPs Regulation**") for offering or selling the New Securities or otherwise making them available to retail investor in the UK has been prepared; and therefore offering or selling the New Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

(b) This Listing Document is not a prospectus for the purposes of the UK Prospectus Regulation. In addition, this Listing Document has been prepared on the basis that all offers of the New Securities in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of the New Securities. Accordingly, any person making or intending to make any offer in the UK of the New Securities should only do so in circumstances in which no obligation arises for the Company to produce a prospectus for such offer. The Company has not authorised and does not authorise the making of an offer of any of the New Securities through any financial intermediary, other than offers made by the Company, as contemplated by this Listing Document.

(c) No offer of New Securities to the public in the UK may be made other than to a UK Qualified Investor or in any other circumstances falling within Article 1(3) or Article 1(4) of the UK Prospectus Regulation, provided that no such offer of New Securities shall require the Company to publish a prospectus pursuant to Article 3(1) or Article 3(3) of the UK Prospectus Regulation.

(d) In connection with the issue of the New Securities, the Account Holder Letter and Creditor Proxy Form will require each Scheme Creditor (or its Designated Recipient) who wishes to receive its New Securities to confirm, amongst other things, that it (or its Designated Recipient) is an Eligible Person and will require any Scheme Creditor (or Designated Recipient) who is located in the UK and intends to receive their New Securities to make certain representations and covenants in the Account Holder Letter and Creditor Proxy Form (as applicable), including that it is a UK Qualified Investor. If the confirmations required by the Account Holder Letter and Creditor Proxy Form cannot be or are not given by a Scheme Creditor (or its Designated Recipient), such Scheme Creditor (or its Designated Recipient) will not be eligible to receive the relevant New Securities.

(e) For the purposes of this provision, the expression an "offer to the public" in relation to the New Securities in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the New Securities to be offered so as to enable an investor to decide to purchase or subscribe for the New Securities.

(f) Any distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook that is offering, selling or recommending the New Securities is responsible for undertaking its own target market assessment in respect of the New Securities and determining appropriate distribution channels.

(g) This Listing Document has not been approved by an authorised person for the purposes of section 21 of the UK Financial Services and Markets Act 2000. Accordingly, this Listing Document is not being distributed to, and must not be passed on to, the general public in the UK. In the UK, this Listing Document is for distribution only to persons who are: (i) investment professionals who have professional experience in matters relating to investments, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"); (ii) persons falling within Article 49(2)(a) to (d) (high net-worth companies, unincorporated associations, etc.), of the Order; or (iii) other persons to whom the New Securities may otherwise lawfully be communicated or directed (all such persons together being referred to as "**Relevant Persons**"). This Listing Document is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. In the UK, any investment or investment activity to which this Listing Document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

2.5 **Hong Kong**

This Listing Document has not been and will not be registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies in Hong Kong. The

New Securities have not been and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the CWUMPO or which do not constitute an offer to the public within the meaning of the CWUMPO. No advertisement, invitation or document relating to the Schemes or the New Securities may be issued or may be in the possession of any person for the purpose of being issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

2.6 **PRC**

No New Securities shall be offered or sold in the PRC, directly or indirectly, except in compliance with applicable laws and regulations.

2.7 **Singapore**

This Listing Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Listing Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any New Securities may not be circulated or distributed, may any New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA,

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

2.8 **Cayman Islands**

There is no registration required nor will any registration be made under the Securities Investment Business Act (as revised) in the Cayman Islands or with the Cayman Islands Monetary Authority in relation to this Listing Document. This Listing Document is only distributed to Scheme Creditors such that it does not represent an offer to the public in the Cayman Islands under any law in the Cayman Islands.

2.9 **British Virgin Islands**

This Listing Document has not been and will not be registered with the British Virgin Islands Financial Services Commission. No security is or shall be offered to the public

in the British Virgin Islands for purchase or subscription for the purposes of the Securities and Investment Business Act, 2010 (as revised).

2.10 **Scheme Creditors who are not an Eligible Person**

(a) Without limiting the information set out in this Section 2 (*Important Securities Law Notices*), the Scheme Consideration will not be distributed to a Scheme Creditor pursuant to the Scheme where such Scheme Creditor is not an Eligible Person.

(b) However, a Scheme Creditor (except for any Sanctions-Affected Scheme Creditors) who is not an Eligible Person may designate a Designated Recipient (who itself must be an Eligible Person) to receive the Scheme Consideration, *provided, however*, that when designating a Designated Recipient, a Scheme Creditor will be required to represent and warrant to the Company that it will retain no legal or beneficial interest in the Scheme Consideration designated to be held by the Designated Recipient.

(c) If a Scheme Creditor is not an Eligible Person and fails to designate a Designated Recipient on or before the Record Time, all of the Kaisa Residual Scheme Consideration that would otherwise have been distributed to such Scheme Creditor shall be transferred to be held by the Holding Period Trustee and, if such Scheme Creditor further fails to designate a Designated Recipient on or before the Bar Time, all of the Kaisa Residual Scheme Consideration that would otherwise have been distributed to such Scheme Creditor shall be transferred by the Holding Period Trustee back to the Company and cancelled on or around the Holding Period Expiry Date, unless such Scheme Creditor is a Blocked Scheme Creditor who is unable to appoint any Designated Recipient, in which case its Kaisa Residual Scheme Consideration shall be transferred to the Successor Escrow.

## 3. LISTING REQUIREMENTS – SINGAPORE

Application has been made or will be made to the SGX-ST for the listing and quotation of each series of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein.

Approval in-principle from the SGX-ST, admission of the New Securities to the Official List of the SGX-ST and the listing and quotation of each series of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds on the SGX-ST is not to be taken as an indication of the merits of any of the New Notes, the AHG Work Fee Notes or the Mandatory Convertible Bonds, the Company, any guarantees, any guarantors, their respective subsidiaries (if any), their respective associated companies (if any) or their respective joint venture companies (if any) or the quality of disclosure in this Listing Document.

For so long as any of the New Notes, the AHG Work Fee Notes or the Mandatory Convertible Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the New Notes, the AHG Work Fee Notes or the Mandatory Convertible Bonds which are issued in global certificated form are exchanged for any of the New Notes, the AHG Work Fee Notes or the Mandatory Convertible Bonds (as applicable) in definitive registered form, the Company will appoint and maintain a paying agent in Singapore, where the relevant New Notes, the AHG Work Fee Notes or the Mandatory Convertible Bonds may be presented or surrendered for payment or redemption. In the event that any of the New Notes, the AHG Work Fee Notes or the Mandatory Convertible Bonds which are issued in global certificated form are exchanged for any of the New Notes (as applicable) in definitive registered form, an announcement of such exchange will be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificates in definitive form, including details of the paying agent in Singapore.

Under the rules of the SGX-ST, each series of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds, if traded on the SGX-ST, are required to be traded in minimum board lot sizes of S$ 200,000 (or its equivalent in foreign currencies). Accordingly, for so long as any of the New Notes or the Mandatory Convertible Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, each series of New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of at least US$ 200,000.

## 4. BACKGROUND TO THE GROUP AND THE RESTRUCTURING

### 4.1 Business operations

(a) Founded in 1999, the Group is dedicated to developing and operating comprehensive commercial real estate projects. On 9 December 2009, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**SEHK**").

(b) Headquartered in Shenzhen, the Special Economic Zone adjacent to Hong Kong, the Group has historically focused its property development in the Pearl River Delta region, which is supported by its geographically diversified development portfolio, including projects in Shenzhen, Foshan, Guangzhou, Huizhou, Dongguan, Zhongshan, Zhuhai, Yangjiang and Qingyuan. The Group has also expanded into other areas in China, including the Yangtze River Delta region, the Western China region, the Central China region and the Pan-Bohai Bay Rim.

(c) The Group's development projects are primarily large-scale residential properties and integrated commercial properties.

(d) The Group's revenue for the year ended 31 December 2024 amounted to RMB11,560.7 million as compared with RMB26,158.8 million for the year ended 31 December 2023.

(e) The Company is the ultimate holding company of the Group, and serves as the main offshore financing platform for the Group. Aside from its role in raising offshore capital to support its subsidiaries' operations, the Company does not have any business operations on a standalone basis.

### 4.2 Assets

(a) Based on the Group's unaudited financial statements for the year ended 31 December 2024, the total assets of the Group on a consolidated basis as of 31 December 2024 amounted to approximately RMB210,679.7 million. The majority of Group's assets, which are predominantly current assets, are located in the PRC and held through various intermediary offshore and onshore companies.

(b) The majority of the Group's current assets cannot be collected or converted into cash immediately. As of 31 December 2024, the Group's current assets amounted to approximately RMB171,820,474 million, which may be summarised as follows:

(i) Properties under development of approximately RMB73,658.25 million;

(ii) Completed properties held for sale of approximately RMB17,532.00 million;

(iii) Inventories of approximately RMB386.52 million;

(iv) Deposits for land acquisition of approximately RMB2,483.26 million;

(v) Prepayments for proposed development projects of approximately RMB36,964.85 million;

(vi) Trade receivables, prepayments, deposits and other receivables of approximately RMB37,497.73 million;

(vii) Restricted bank balances and cash of approximately RMB1,692.71 million;

(viii) Financial assets at fair value through profit or loss of approximately RMB907.51 million; and

(ix) Cash and bank balances of RMB697.65 million.

(c) As of 31 December 2024, the Group's non-current assets amounted to approximately RMB 42,498.38 million, which may be summarised as follows:

(i) Property, plant and equipment of approximately RMB4,317.34 million;

(ii) Right-of-use assets of approximately RMB611.55 million;

(iii) Investment properties of approximately RMB8,409.80 million;

(iv) Land use rights of approximately RMB364.87 million;

(v) Goodwill and intangible assets of approximately RMB875.90 million;

(vi) Interests in associates of approximately RMB14,381.51 million;

(vii) Interests in joint ventures of approximately RMB7,446.15 million;

(viii) Financial assets at fair value through profit or loss of approximately RMB1,337.00 million;

(ix) Deposits and other receivables of approximately RMB3.65 million; and

(x) Deferred tax assets of approximately RMB1,111.40 million.

4.3 **Liabilities**

(a) As of 31 December 2024, the Group's total liabilities on a consolidated basis amounted approximately to RMB242,421.47 million, including current liabilities of approximately RMB222,836.15 million and non-current liabilities of approximately RMB19,585.32 million. Major liabilities items include:

(i) Contract liabilities of approximately RMB18,520.39 million;

(ii) Accrued construction costs of approximately RMB11,517.76 million;

(iii) Current other payables of approximately RMB61,923.82 million;

(iv) Current income tax payable of approximately RMB12,651.23 million;

(v) Current lease liabilities of approximately RMB145.11 million;

(vi) Current borrowings of approximately RMB118,077.83 million;

(vii) Non-current other payables of approximately RMB4.43 million;

(viii) Non-current lease liabilities of approximately RMB425.90 million;

(ix) Non-current borrowings of approximately RMB16,995.73 million; and

(x) Deferred tax liabilities of approximately RMB2,159.26 million.

(b) The Group had provided guarantees in respect of mortgage facilities granted by certain banks related to mortgage loans arranged for certain purchasers of the Group's properties amounting to RMB24,312.2 million as at 31 December 2024.

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 amounting to approximately RMB20,767.6 million.

(c) Based on the audited financial statements of the Company as of and for the year ended 31 December 2024, the Company's total liabilities on a standalone basis amounted to approximately RMB113,511.8 million as of 31 December 2024, (comprising only current liabilities), which include:

(i) Current borrowings of approximately RMB82,731.2 million;

(ii) Current other payables of approximately RMB30,780.6 million; and

(d) As of 31 December 2024, the financial guarantees given by the Group relating to the liabilities of the Group's subsidiaries and associates and third parties were amounting to RMB20,767.6 million.

(e) Please refer to Sections 5.2 for further details of the Company's financial liabilities comprising the In-Scope Debt and the Out-of-Scope Debt.

4.4 **The Group's deteriorating financial condition and mitigating actions taken**

(a) Since the fourth quarter of 2020, the capital markets that have funded the growth and development of the Chinese property development sector experienced an inflection point. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, reduced bank lending of mortgage finance for property buyers, as well as concerns of buyers about the ability of property developers to complete and deliver projects, has resulted in reduced property sales. Adverse reaction to these onshore events by offshore capital markets has also limited sources of funding for property developers to address upcoming maturities.

(b) Due to various challenges from the macroeconomy, the real estate industry, the credit environment and multiple waves of the COVID-19 pandemic, the Group faced unprecedented challenges and operational pressures during the years

2021, 2022, 2023 and 2024. Despite taking proactive measures to ensure stable cash flow, the Group has experienced a precipitous decline in sales since the first quarter of 2022.

(c) Although a series of supportive policies have been put forward by regulators staring the second half of 2022 and during the course of 2023, recovery of developers already in financial distress has been slow and limited so far. With the market demand remaining weak, the exact timing of recovery is still uncertain. Against the backdrop of the adverse market conditions, the Group anticipates that the market condition in the real estate sector will remain under pressure in 2025.

(d) Since 2020, the Group has worked vigorously in managing its liquidity and maintaining the stability of its operations through ensuring construction and delivery for its projects, seeking disposal of assets, accelerating sales and cash collection, as well as reducing its operational expenses. Despite these measures, the Group's contracted sales and tight liquidity have not been fundamentally improved and asset disposals were slower than expected.

(e) As a result, certain debts of the Group have been overdue and remain to be settled as of the date of this Listing Document.

(f) As set out in Kaisa's announcement dated 20 December 2021, the Company missed the interest payment on several series of Existing Securities in November and December 2021. As of the date of this Listing Document, all of the Kaisa In-Scope Debt are in default, either as a result of a failure to pay principal at maturity, a failure to pay interest when due or by the triggering of cross-default clauses. No forbearance agreement is in place in respect of the outstanding Kaisa In-Scope Debt and the Rui Jing In-Scope Debt. As at 31 December 2024, Kaisa had on a standalone basis a negative net asset position of negative RMB69.6 million.

(g) In light of the tightening liquidity and operational pressures the Group has been facing, the Group has been working with its appointed financial adviser to formulate a plan to restructure its offshore indebtedness. In addition, the Group has been maintaining active communication with its creditors and has endeavoured to reach an agreement with all relevant creditors on the offshore debt restructuring plans in a timely manner.

(h) As at 31 December 2024, the Group had borrowings of approximately RMB135,073.56 million (of which approximately RMB118.08 million were classified as current borrowings and approximately RMB16,995.73 million were classified as non-current borrowings). The borrowings of the Group mainly comprised senior notes, bank borrowings, other borrowings, loan from a related company and loan from the controlling shareholder of the Company. Further details of the indebtedness situation of the Group as at 31 December 2024 are set out in the announcement of the audited financial statements of the Group for the year ended 31 December 2024, published on the website of the SEHK on 30 April 2025.

(i) With regard to the Kaisa In-Scope Debt, in an aggregate principal amount of approximately US$ 12.3 billion, the Company has continuously engaged with the Ad Hoc Group who, as of the date of the RSA, collectively hold or control approximately 36% in aggregate principal amount of the Kaisa In-Scope Debt, their advisers and certain other holders, to facilitate the formulation of a consensual restructuring proposal for the Kaisa In-Scope Debt. During the course of 2023 and continuing into 2024, the Ad Hoc Group and their advisers worked closely with the Company to conduct in-depth due diligence on the Group's financial and operational conditions.

(j) With regard to the Rui Jing In-Scope Debt, in an aggregate principal amount of approximately US$ 11.7 billion, Kaisa and Rui Jing have continuously engaged with the Ad Hoc Group who, as of the date of the RSA, collectively hold or control approximately 38% in aggregate principal amount of the Rui Jing In-Scope Debt, their Advisers and certain other holders, to facilitate the formulation of a consensual restructuring proposal for the Rui Jing In-Scope Debt. During the course of 2023 and continuing into 2024, the Ad Hoc Group and their Advisers worked closely with Kaisa and Rui Jing to conduct in-depth due diligence on the Group's financial and operational conditions.

(k) Furthermore, as further explained at Section 4.5 and 5.2 below, the Group has been actively seeking support from financial institutions with a view to obtaining consensual solutions for certain of its existing indebtedness, including the indebtedness of the Company, other than the Kaisa In-Scope Debt and the Rui Jing In-Scope Debt.

4.5 **The Group's onshore financing arrangements**

The Group also has certain financing arrangements onshore including borrowings from PRC financial institutions and other publicly and privately issued debt instruments. As of 30 June 2024, the total aggregate outstanding principal amount of the Group's onshore financing arrangements including bank loans, trust and other loans, assets-backed securities and corporate bonds, was approximately RMB 50 billion. As of 30 June 2024, the aggregate outstanding principal that has already been restructured or is not in default and extended interest amount was approximately RMB 27.8 billion for bank loans, trust and other loans, and approximately RMB 0.3 billion for corporate bonds. The aggregate outstanding principal amount in default was approximately RMB 20.3 billion for bank loans, trust and other loans, and approximately RMB 1.6 billion for assets-backed securities, of which the Group will bilaterally negotiate the repayment of the primary obligation with the onshore creditors.

The Group also has 11 series of debt incurred by either wholly-owned or non-wholly owned subsidiaries or associates of the Group established in the PRC under which the Company has provided a guarantee ("**Kaisa's Guaranteed Onshore Debt**"). As of 30 June 2024, the aggregate principal amount of Kaisa's Guaranteed Onshore Debt was approximately RMB 21,030.7 million (US$ 3.0 billion). Kaisa's Guaranteed Onshore Debt are governed by PRC law and certain debts benefit from onshore collateral. The Group is engaging with the relevant lenders/holders under these onshore financings. Kaisa's Guaranteed Onshore Debts are all included in the Out-of-Scope Debts, as set out in Section 5.2 below.

## 5. OVERVIEW OF THE RESTRUCTURING

The summary information contained herein should be read in conjunction with, and is qualified in its entirety by references to, the more detailed information presented elsewhere in this Listing Document and by the full text of each of the Kaisa Schemes and the Rui Jing Schemes.

### 5.1 Objectives of the Restructuring

(a) The purpose of the Restructuring is to restructure certain offshore indebtedness of the Company and certain offshore subsidiaries of the Group, which are the "**In-Scope Debt**". The Restructuring will be implemented by way of the Kaisa Schemes, the Rui Jing Schemes and the Restructuring Documents. The Restructuring does not compromise or restructure certain Excluded Obligations and Out-of-Scope Debt, as described in Section 5.2 below.

(b) The Restructuring is necessary to avoid the Company, the Existing Subsidiary Obligors and other members of the Group entering into insolvent liquidation at some point in the near future, as a result of which the anticipated recoveries for Scheme Creditors would be significantly less than if the Restructuring were to be completed successfully (referred to as the "**Relevant Alternative Scenario**").

(c) The Restructuring has the following objectives:

(i) to provide the Company and the Group with a long-term runway to stabilise the Group's business. This is achieved by minimising cash requirements in the initial years post-restructuring through extended debt maturities and payment-in-kind options available for the Company during the first five years after the Kaisa Reference Date and effectively replacing the Existing Debt Instruments with the New Debt Instruments with an average maturity profile of around seven years;

(ii) to allow adequate financial flexibility to achieve a sustainable capital structure and enhance the Group's net asset value. This is achieved by meaningful deleveraging through equitising 50% of the Scheme Creditors' entitlement into mandatory convertible bonds convertible into new Shares; and

(iii) to protect the rights and interests of, and maximise value for, all stakeholders of the Company and the Group.

### 5.2 Out-of-Scope Debt

(a) The Company's financing liabilities that will not be subject to the Kaisa Schemes include (the "**Out-of-Scope Debt**"): (i) one offshore loan relating to The Center in Hong Kong ("**The Center (30) Loan**"), and (ii) Kaisa's Guaranteed Onshore Debt.

(b) As of 30 June 2024, the aggregate principal amount of the Out-of-Scope Debt is approximately RMB 21,441.4 million (US$ 3.0 billion). The Out-of-Scope

Debt represents approximately 19.7% of Kaisa's total existing debt (i.e., the In-Scope Debt plus the Out-of-Scope Debt).

5.3 **Effect of the Restructuring on the capital structure of the Company**

(a) Following the Restructuring Effective Date, it is expected that the Group's offshore debt obligations will be reduced in an aggregate principal amount of approximately RMB 90.5 billion (US$ 12.7 billion), which is attributable to: (i) an aggregate principal amount of RMB 82.0 billion (US$ 11.5 billion) of Existing Debt Instruments and RMB 25.1 billion (US$ 3.5 billion) of accrued interests being cancelled, and (ii) an aggregate principal amount of RMB 16.6 billion (US$ 2.3 billion) of New Notes and Mandatory Convertible Bonds being recognised on the Group's balance sheet, valuing the New Notes and Mandatory Convertible Bonds on a fair value basis.

(b) Following the Restructuring Effective Date, current liabilities will decrease by RMB 107.1 billion (US$ 15.0 billion), comprising (i) an aggregate principal amount of RMB 82.0 billion (US$ 11.5 billion) in Existing Debt Instruments and (ii) accrued interests totaling RMB 25.1 billion (US$ 3.5 billion). Meanwhile, non-current liabilities will increase by RMB 16.6 billion (US$ 2.3 billion).

(c) The Restructuring will result in the Group having a more sustainable capital structure that will allow it to comply with its debt obligations and liabilities and to trade on a going-concern basis and deliver long-term value for all of its stakeholders.

(d) The changes to the shareholding structure of the Company as a result of the issuance the Mandatory Convertible Bonds (if fully converted), the Designated Rights Issue (if fully exercised) and the MIP (if fully exercised and the Tranche A New Notes is repaid in December 2027) is as follows:

| Kaisa's shareholders | Pre-Restructuring (%) | Post-Restructuring (%) | | | |
|---|---|---|---|---|---|
| | | Upon the Restructuring Effective Date from issuance of AHG Work Fee Shares | Upon conversion of all MCBs[1] | Assuming all MCBs are converted and the Designated Rights Issue is fully utilised[2] | Assuming all MCBs are converted, and the Designated Rights Issue and MIP are fully utilised |
| Sponsors | 39.3% | 30.2% | 12.7% | 15.9% | 35.9% |

[1] The last tranche of MCBs will convert by December 2032 and assuming all tranches of New Notes are fully repaid. Assuming a conversion price of the MCBs Tranches A, B and C is HK$ 4.75 per share and Tranches D, E, F, G and H is HK$ 4.05 per share.

[2] Designated Rights Issue will be issued at HK$ 0.15 per share.

| | | | | | |
|---|---|---|---|---|---|
| Kaisa Scheme Creditors | 0.0% | 0.0% | 58.1% | 55.9% | 42.6% |
| Ad Hoc Group members from the AHG Work Fee Shares | 0.0% | 23.0% | 9.6% | 9.3% | 7.1% |
| Other shareholders | 60.7% | 46.8% | 19.6% | 18.9% | 14.4% |
| Total | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

## 6. CALCULATION AND DISTRIBUTION OF SCHEME CONSIDERATION

### 6.1 Overview of the Scheme Consideration

(a) The total Scheme Consideration available for distribution to Scheme Creditors will comprise:

(i) six (6) tranches of senior notes (referred to as the "**New Notes**"), with varying maturities and interest rates, with an aggregate principal amount of up to approximately US$ 6.7 billion (depending on the total amounts of Kaisa Scheme Claims and Rui Jing Scheme Claims); and

(ii) eight (8) tranches of mandatory convertible bonds (referred to as the "**Mandatory Convertible Bonds**" or "**MCBs"**), with varying maturities, with an aggregate principal amount of up to approximately US$ 6.7 billion (depending on the total amounts of Kaisa Scheme Claims and Rui Jing Scheme Claims) (together with the New Notes, referred to as the "**New Debt Instruments**"); and

(b) Additionally, Eligible Consenting Creditors will receive a Consent Fee under the RSA.

### 6.2 Allocation of Scheme Consideration between the Kaisa Schemes and the Rui Jing Schemes

(a) The principal amount of each series of New Debt Instruments will be divided between the Kaisa Schemes and the Rui Jing Schemes in proportion to: (i) the recoveries that Kaisa Scheme Creditors would receive from the Company in the Relevant Alternative Scenario; and (ii) the recoveries that Rui Jing Scheme Creditors would receive from the Existing Subsidiary Obligors in the Relevant Alternative Scenario (respectively), as follows:

(i) Based on the Liquidation Analysis Report, in the Relevant Alternative Scenario:

(A) each Kaisa Scheme Creditor would receive a 1.24% return from the Company, and the total amount of Kaisa Scheme Creditors' claims would be US$ 16,060,877,213, meaning total recoveries of US$ 199,154,877 from the Company; and

(B) each Rui Jing Scheme Creditor would receive a 2.00% return from the Existing Subsidiary Obligors,[3] and the total amount of Rui Jing Scheme Creditors' claims would be US$ 15,269,152,999, meaning total recoveries of US$ 305,383,060 from the Existing Subsidiary Obligors.

(ii) The proportion of value to be allocated to the Kaisa Schemes is therefore 1.24%/(1.24%+2.00%), or 38.27% (referred to as the "**Kaisa Scheme Allocation Ratio**"). The Kaisa Scheme Allocation Ratio ensures that

[3] i.e., Overlapping Creditors in the Relevant Alternative Scenario will recover 3.24% from the Company and the Existing Subsidiary Obligors. There is no double counting or overlapping of recoveries.

each Scheme Creditor's overall recovery under the Schemes is proportionate to its overall recovery from the Company and the Existing Subsidiary Obligors (as applicable) in the Relevant Alternative Scenario.

(b) The allocation of Scheme Consideration between the Kaisa Scheme Creditors and Rui Jing Scheme Creditors is to mirror such creditors' rights in the Relevant Alternative Scenario. In both the Relevant Alternative Scenario and if the Restructuring is complete, Scheme Creditors that benefit from security granted by the Existing Subsidiary Obligors can expect to receive 2.5 times more than those without any claims against the Existing Subsidiary Obligors.

6.3 **Summary of the Kaisa Scheme Consideration and Rui Jing Scheme Consideration**

(a) Each Kaisa Scheme Creditor will be entitled to a *pro rata* share of each of the following allocations of New Notes and Mandatory Convertible Bonds, calculated by reference to its Kaisa Scheme Claim, and in each case rounded down to the nearest US$1.00:

(i) 'Tranche A' New Notes, being the New Notes maturing 28 December 2027, in an aggregate principal amount equal to US$ 158 million (excluding the consent fee to be issued to the Consenting Creditors);

(ii) 'Tranche B' New Notes, being the New Notes maturing 28 December 2028, in an aggregate principal amount equal to US$ 237 million;

(iii) 'Tranche C' New Notes, being the New Notes maturing 28 December 2029, in an aggregate principal amount equal to US$ 395 million;

(iv) 'Tranche D' New Notes, being the New Notes maturing 28 December 2030, in an aggregate principal amount equal to US$ 474 million;

(v) 'Tranche E' New Notes, being the New Notes maturing 28 December 2031, in an aggregate principal amount equal to US$ 711 million;

(vi) 'Tranche F' New Notes, being the New Notes maturing 28 December 2032, in an aggregate principal amount equal to the Kaisa Tranche F New Notes Allocation (see paragraph (b) below);

(vii) 'Tranche A' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2025, in an aggregate principal amount equal to US$ 118 million;

(viii) 'Tranche B' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2026, in an aggregate principal amount equal to US$ 158 million;

(ix) 'Tranche C' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2027 in an aggregate principal amount equal to US$ 197 million;

(x) 'Tranche D' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2028, in an aggregate principal amount equal to US$ 316 million;

(xi) 'Tranche E' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2029, in an aggregate principal amount equal to US$ 316 million;

(xii) 'Tranche F' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2030, in an aggregate principal amount equal to US$ 395 million;

(xiii) 'Tranche G' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2031, in an aggregate principal amount equal to US$ 395 million; and

(xiv) 'Tranche H' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2032, in an aggregate principal amount equal to the Kaisa Tranche H Mandatory Convertible Bonds Allocation (see paragraph (b) below).

(b) For the purposes of paragraph (a) above:

(i) the "Kaisa Tranche F New Notes Allocation" depends on the total amount of Kaisa Scheme Claims, and will be calculated as follows:

$$\frac{Total\ Kaisa\ Scheme\ Consideration\ Entitlement\ Amount\ \times 38.3\%}{2} - US\$1{,}974\ million$$

where 38.3% is the ratio of recovery rates of Kaisa Scheme Creditors from the Company to recovery rates of Rui Jing Scheme Creditors from the Existing Subsidiary Obligors in the Relevant Alternative Scenario, and US$ 1,974 million is the total principal amount of Tranche A – E New Notes.

(ii) the "Kaisa Tranche H New Mandatory Convertible Bonds Allocation" also depends on the total amount of Kaisa Scheme Claims, and will be calculated as follows:

$$\frac{Total\ Kaisa\ Scheme\ Consideration\ Entitlement\ Amount\ \times 38.3\%}{2} - US\$1{,}895\ million$$

where 38.3% is the ratio of recovery rates of Kaisa Scheme Creditors from the Company to recovery rates of Rui Jing Scheme Creditors from the Existing Subsidiary Obligors in the Relevant Alternative Scenario, and US$1,895 million is the total principal amount of Tranche A – G Mandatory Convertible Bonds.]

(c) The Kaisa Tranche F New Notes Allocation and the Kaisa Tranche H New Mandatory Convertible Bonds Allocation are calculated to ensure that any Scheme Creditor that is both a Kaisa Scheme Creditor and a Rui Jing Scheme Creditor will receive New Debt Instruments with a total principal amount

approximately equal to its Kaisa Scheme Claim (or Rui Jing Scheme Claim), while preserving the fair allocation of value between the Kaisa Schemes and the Rui Jing Schemes.

(d) Each Rui Jing Scheme Creditor will be entitled to a *pro rata* share of each of the following allocations of New Notes and Mandatory Convertible Bonds, calculated by reference to its Rui Jing Scheme Claim, and in each case rounded down to the nearest US$1.00:

(i) 'Tranche A' New Notes, being the New Notes maturing 28 December 2027, in an aggregate principal amount equal to US$ 242 million (excluding the consent fee to be issued to the Consenting Creditors);

(ii) 'Tranche B' New Notes, being the New Notes maturing 28 December 2028, in an aggregate principal amount equal to US$ 363 million;

(iii) 'Tranche C' New Notes, being the New Notes maturing 28 December 2029, in an aggregate principal amount equal to US$ 605 million;

(iv) 'Tranche D' New Notes, being the New Notes maturing 28 December 2030, in an aggregate principal amount equal to US$ 726 million;

(v) 'Tranche E' New Notes, being the New Notes maturing 28 December 2031, in an aggregate principal amount equal to US$ 1,089 million;

(vi) 'Tranche F' New Notes, being the New Notes maturing 28 December 2032, in an aggregate principal amount equal to the Rui Jing Tranche F New Notes Allocation (see paragraph (b) below);

(vii) 'Tranche A' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2025, in an aggregate principal amount equal to US$ 182 million;

(viii) 'Tranche B' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2026, in an aggregate principal amount equal to US$ 242 million;

(ix) 'Tranche C' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2027 in an aggregate principal amount equal to US$ 303 million;

(x) 'Tranche D' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2028, in an aggregate principal amount equal to US$ 484 million;

(xi) 'Tranche E' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2029, in an aggregate principal amount equal to US$ 484 million;

(xii) 'Tranche F' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2030, in an aggregate principal amount equal to US$ 605 million;

(xiii) 'Tranche G' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2031, in an aggregate principal amount equal to US$ 605 million;

(xiv) 'Tranche H' Mandatory Convertible Bonds, being the Mandatory Convertible Bonds maturing 31 December 2032, in an aggregate principal amount equal to the Rui Jing Tranche H Mandatory Convertible Bonds Allocation (see paragraph (b) below).

(e) For the purposes of paragraph (a) above:

(i) the "Rui Jing Tranche F New Notes Allocation" depends on the total amount of Rui Jing Scheme Claims, and will be calculated as follows:

$$\frac{Total\ Rui\ Jing\ Scheme\ Consideration\ Entitlement\ Amount\ \times 61.7\%}{2} - US\$\ 3{,}026\ million$$

where 61.7% is the ratio of recovery rates of Rui Jing Scheme Creditors from the Existing Subsidiary Obligors to recovery rates of Kaisa Scheme Creditors from Kaisa in the Relevant Alternative Scenario, and US$ 3,026 million is the total principal amount of Tranche A – E New Notes.

(ii) the "Rui Jing Tranche H New Mandatory Convertible Bonds Allocation" also depends on the total amount of Rui Jing Scheme Claims, and will be calculated as follows:

$$\frac{Total\ Rui\ Jing\ Scheme\ Consideration\ Entitlement\ Amount\ \times 61.7\%}{2} - US\$\ 2{,}905\ million$$

where 61.7% is the ratio of recovery rates of Rui Jing Scheme Creditors from the Existing Subsidiary Obligors to recovery rates of Kaisa Scheme Creditors from Kaisa in the Relevant Alternative Scenario, and US$ 2,905 million is the total principal amount of Tranche A – G Mandatory Convertible Bonds.]

(f) The Rui Jing Tranche F New Notes Allocation and the Rui Jing Tranche H New Mandatory Convertible Bonds Allocation are calculated to ensure that any Scheme Creditor that is both a Kaisa Scheme Creditor and a Rui Jing Scheme Creditor will receive New Debt Instruments with a total principal amount approximately equal to its Kaisa Scheme Claim (or Rui Jing Scheme Claim), while preserving the fair allocation of value between the Kaisa Schemes and the Rui Jing Schemes.

6.4 **Issuance of the New Debt Instruments**

(a) All the New Debt Instruments for both the Kaisa Schemes and Rui Jing Schemes are issued by Kaisa.

(b) Interests in the New Debt Instruments to which a Scheme Creditor or Designated Recipient (as applicable) is entitled under the terms of the Kaisa Schemes (and Rui Jing Schemes, as applicable) will be issued:

(i) in respect of any Participating Creditor that is an Existing Securityholder or a Flourish Noteholder, to the Clearing Systems securities account in which that Eligible Participating Creditor held its Eligible Participating Debt as at the Record Time;

(ii) in respect of any Participating Creditor that is an Existing Private Creditor, to the Clearing Systems securities account which has been specified by that Eligible Participating Creditor in its Creditor Proxy Form; and

(iii) in respect of any Scheme Creditor that is a Residual Scheme Creditor (including a Blocked Scheme Creditor), to the Clearing Systems account designated by the Holding Period Trustee for that purpose, to be held on trust for such Residual Scheme Creditor in accordance with the terms of the Holding Period Trust Deed,

but provided that interests in the New Debt Instruments will be credited in minimum denomination of US$1.00 and integral multiples of US$1.00 in excess thereof, and any fractional entitlements of New Debt Instruments that are remaining will be forfeited.

(c) the Company will procure that the Existing Common Depositaries take such action as may be required to credit the Record Time Balance in the records of the Clearing Systems in favour of those Kaisa Scheme Creditors who were Existing Securityholders as at the Record Time but who did not submit, or did not have submitted on their behalf, valid Custody Instructions by the Record Time and/or a validly completed Account Holder Letter, Creditor Proxy Form or Blocked Scheme Creditor Form (as applicable) by the Record Time;

6.5 **Allocation of Kaisa Scheme Consideration among Kaisa Scheme Creditors and Rui Jing Scheme Consideration among Rui Jing Scheme Creditors**

As to Kaisa Scheme Consideration:

(a) The Kaisa Scheme Consideration will be allocated between the Kaisa Scheme Creditors *pro rata* according to each Kaisa Scheme Creditor's Kaisa Scheme Consideration Entitlement, which will be determined by the Scheme Administrators pursuant to the terms and conditions of the Kaisa Schemes and by reference to the ratio of: (x) the Kaisa Scheme Claim of that Kaisa Scheme Creditor; and (y) the Total Kaisa Scheme Claims Amount, and in each case rounded down to the nearest US$1.00. The face value of each Kaisa Scheme Creditor's allotted Kaisa Scheme Consideration will comprise 50% New Notes and 50% Mandatory Convertible Bonds.

(b) We have set out below illustrative examples of how a Scheme Creditor's Kaisa Scheme Consideration Entitlement will be determined by the Scheme Administrators.

*Scenario 1*

(c) Assuming a Kaisa Scheme Creditor: (i) holds in principal amount of US$ 100,000 the Kaisa In-Scope Debt with US$ 10,000 accrued interest on or before 31 December 2023, and (ii) is only eligible to participate in the Kaisa Scheme. Such Kaisa Scheme Creditor's Kaisa Scheme Claims assessed for the purposes of determining Kaisa Scheme Consideration will be US$ 105,000, subject to final determination by the Scheme Administrator.

(d) Such Kaisa Scheme Creditor will receive Kaisa Scheme Consideration of US$ 40,185 from the Kaisa Schemes, comprising US$ 20,093 in principal amount of the New Notes and US$ 20,093 in principal amount of the Mandatory Convertible Bonds. For the avoidance of doubt, such amount does not include any Consent Fee.

*Scenario 2*

(e) Assuming a Kaisa Scheme Creditor: (i) holds in principal amount of US$ 100,000 the Kaisa In-Scope Debt with US$ 10,000 accrued interest on or before 31 December 2023, and (ii) is also a Rui Jing Scheme Creditor and eligible to participate in the Kaisa Schemes and the Rui Jing Schemes. Such Kaisa Scheme Creditor's Kaisa Scheme Claims assessed for the purposes of determining Kaisa Scheme Consideration will be US$ 105,000, subject to final determination by the Scheme Administrator.

(f) Such Kaisa Scheme Creditor will receive Kaisa Scheme Consideration of US$ 40,185 from the Kaisa Schemes, comprising US$ 20,093 in principal amount of the New Notes and US$ 20,093 in Mandatory Convertible Bonds. For the avoidance of doubt, such amount does not include any Consent Fee.

(g) In addition, the same Kaisa Scheme Creditor, in its capacity as a Rui Jing Scheme Creditor, will also receive Rui Jing Scheme Consideration of US$ 64,815 from the Rui Jing Schemes, comprising US$ 32,407 in principal amount of the New Notes and US$ 32,407 in principal amount of the Mandatory Convertible Bonds.

*Scenario 3*

(h) Assuming a Kaisa Scheme Creditor who is also an Eligible Consenting Creditor: (i) holds in principal amount of US$ 100,000 the Kaisa In-Scope Debt with US$ 10,000 accrued interest on or before 31 December 2023, and (ii) is also a Rui Jing Scheme Creditor and eligible to participate in the Kaisa Schemes and the Rui Jing Schemes. Such Kaisa Scheme Creditor's Kaisa Scheme Claims assessed for the purposes of determining Kaisa Scheme Consideration will be US$ 105,000, subject to final determination by the Scheme Administrator.

(i) Such Kaisa Scheme Creditor will receive Kaisa Scheme Consideration of US$ 40,185 from the Kaisa Schemes, comprising US$ 20,093 in principal amount of the New Notes and US$ 20,093 in Mandatory Convertible Bonds. For the avoidance of doubt, such amount does not include any Consent Fee.

(j) In addition, the same Kaisa Scheme Creditor, in its capacity as a Rui Jing Scheme Creditor, will also receive Rui Jing Scheme Consideration of US$

64,815 from the Rui Jing Schemes, comprising US$ 32,407 in principal amount of the New Notes and US$ 32,407 in principal amount of the Mandatory Convertible Bonds.

(k) Meanwhile, as an Eligible Consenting Creditor, such Kaisa Scheme Creditor shall be entitled to receive a consent fee equal to 0.1% of the principal amount in the form of Tranche A New Notes or US$ 100 in principal amount of Tranche A New Notes.

As to Rui Jing Scheme Consideration:

(l) The Rui Jing Scheme Consideration will be allocated between the Rui Jing Scheme Creditors *pro rata* according to each Rui Jing Scheme Creditor's Rui Jing Scheme Consideration Entitlement, which will be determined by the Scheme Administrators pursuant to the terms and conditions of the Rui Jing Schemes and by reference to the ratio of: (x) the Rui Jing Scheme Claim of that Rui Jing Scheme Creditor; and (y) the Total Rui Jing Scheme Claims Amount, and in each case rounded down to the nearest US$1.00. The face value of each Rui Jing Scheme Creditor's allotted Rui Jing Scheme Consideration will comprise 50% New Notes and 50% Mandatory Convertible Bonds.

(m) We have set out below illustrative examples of how a Scheme Creditor's Rui Jing Scheme Consideration Entitlement will be determined by the Scheme Administrators.

(n) Assuming a Rui Jing Scheme Creditor: (i) holds in principal amount of US$ 100,000 the Rui Jing In-Scope Debt with US$ 10,000 accrued interest on or before 31 December 2023, and (ii) who will also be a Kaisa Scheme Creditor and eligible to participate in the Kaisa Schemes and the Rui Jing Schemes. Such Rui Jing Scheme Creditor's Rui Jing Scheme Claims assessed for the purposes of determining Rui Jing Scheme Consideration will be US$ 105,000, subject to final determination by the Scheme Administrator.

(o) Such Rui Jing Scheme Creditor will receive Rui Jing Scheme Consideration of US$ 65,815 from the Rui Jing Schemes, comprising US$ 32,407 in principal amount of the New Notes and US$ 32,407 in Mandatory Convertible Bonds. For the avoidance of doubt, such amount does not include any Consent Fee.

(p) In addition, the same Rui Jing Scheme Creditor, in its capacity as a Kaisa Scheme Creditor, will also receive Kaisa Scheme Consideration of US$ 40,185 from the Kaisa Schemes, comprising US$ 20,093 in principal amount of the New Notes and US$ 20,093 in principal amount of the Mandatory Convertible Bonds.

(q) Meanwhile, if such Rui Jing Scheme Creditor is also an Eligible Consenting Creditor, it shall be entitled to receive a consent fee equal to 0.1% of the principal amount in the form of Tranche A New Notes or US$ 100 in principal amount of Tranche A New Notes (but without double counting).

## 7. SUMMARY OF THE NEW DEBT INSTRUMENTS

This section contains a brief description of the principal commercial terms of the New Debt Instruments. The summary information contained in this section does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by references to, the more detailed information contained in the Kaisa Schemes, the New Finance Documents and this Listing Document.

### 7.1 Overview

(a) The terms of the New Debt Instruments will be set out in the New Finance Documents.

(b) The Company may elect to pay interest accrued on a New Debt Instrument (excluding the Mandatory Convertible Bonds) in the form of PIK Interest in certain circumstances. The reason for this is to allow the Company and the Group sufficient time to regain financial stability with limited repayment obligations in the near term.

(c) The New Debt Instruments provide for certain cash sweep undertakings, for which a prescribed portion of the net cash proceeds would be used to redeem the New Debt Instruments, providing a potential source of repayment to Kaisa Scheme Creditors and Rui Jing Scheme Creditors. Further details of the terms of this redemption are set out below.

(d) The Mandatory Convertible Bonds are convertible into the new Shares.

(e) The Company has also ensured that tradable New Securities are issued to Kaisa Scheme Creditors and Rui Jing Scheme Creditors following the Restructuring.

### 7.2 Summary of the New Notes

| **Terms of the New Notes**<br>*Capitalised terms not defined below will be defined in the indentures governing the New Notes (the "**New Notes Indentures**"), which shall substantially follow the meanings given to them in the indenture governing the New York law-governed 11.65% senior notes due June 2026 issued by the Company (the "**June 2026 Notes**").* | |
|---|---|
| **Issuer** | The Company |
| **Subsidiary Guarantors** | Existing Subsidiary Guarantors under the June 2026 Notes. |
| **Springing Guarantors** | The Company shall procure that no Springing Guarantor, which is not a Subsidiary Guarantor, shall, directly or indirectly, guarantee any indebtedness of the Group, unless (1) such Springing Guarantor simultaneously executes and delivers documents required under the New Notes Indentures and the MCB Trust Deeds providing for an unsubordinated Subsidiary Guarantee of the New Notes and the MCBs, or (2) with respect to Kaisa Ventures Limited, such |

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| | indebtedness exists as of the date of the RSA or is incurred for any refinancing thereof in an amount not exceeding the amount so refinanced.<br>"**Springing Guarantors**" means the following entities:<br>(i) Kaisa Ventures Limited;<br>(ii) Dragon Range Holdings Limited;<br>(iii) Shining Amber Investments Limited;<br>(iv) Kaisa Overseas Group Limited;<br>(v) The Center (30) Limited;<br>(vi) Ambitious Power Developments Limited;<br>(vii) New Sigma Limited;<br>(viii) Sino Superior Holdings Limited;<br>(ix) Mighty Empire Group Limited;<br>(x) Elevated Star Holdings Limited;<br>(xi) Clear Fortitude Limited;<br>(xii) Paramount Access Investments Limited; and<br>(xiii) Ye Chang Investment Company Limited. |
| **Original Issue Date** | The Restructuring Effective Date |
| **Original Issue Amount** | The New Notes shall comprise six tranches of New Notes, with an aggregate original principal amount for each tranche of New Notes equal to the sum of (i) the aggregate principal amount of such tranche of New Notes to be issued to all Kaisa Scheme Creditors under the Kaisa Scheme(s), (ii) the aggregate principal amount of such tranche of New Notes to be issued under the Rui Jing Scheme(s) (as defined in the RSA) and (iii) with respect to Tranche A New Notes only, the Consent Fee.<br><br>The aggregate principal amount of each tranche of New Notes to be issued will be as follows:<br>Tranche A: approximately US$410 million (including the Consent Fee);<br>Tranche B: US$600 million; |

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| | Tranche C: US$1,000 million;<br>Tranche D: US$1,200 million;<br>Tranche E: US$1,800 million; and<br>Tranche F: approximately US$1,703 million |
| **Maturity Date** | (1) *Tranche A*: 28 December 2027, which may be extended by 1 year by Kaisa in accordance with "*Optional Maturity Extension for Tranche A New Notes*" below;<br>(2) *Tranche B*: 28 December 2028;<br>(3) *Tranche C*: 28 December 2029;<br>(4) *Tranche D*: 28 December 2030;<br>(5) *Tranche E*: 28 December 2031; and<br>(6) *Tranche F*: 28 December 2032. |
| **Optional Maturity Extension for Tranche A New Notes** | The Company may elect to extend the maturity date of the Tranche A New Notes by one year, *provided* that:<br>(1) the Company issues a written notice to holders of the Tranche A New Notes through the clearing systems on or prior to 15 December 2027 confirming its election to extend the maturity date of the Tranche A New Notes by one year and the satisfaction of all of the extension conditions; and<br>(2) the Company pays an extension fee equal to 1.00% of the outstanding principal amount of the Tranche A New Notes in cash to holders of the Tranche A New Notes on or prior to 15 December 2027. |
| **Interest** | Interest on the New Notes shall start accruing on 31 December 2023 (the "**Reference Date**") and be payable semi-annually in arrears on the outstanding principal amount of the New Notes at the following interest rates with respect to each interest payment period:<br>(1) *Tranche A*: 5.00% per annum (if all interest with respect to such interest payment period is paid in cash) or 6.00% (if any portion of interest with respect to such interest payment period is paid in kind), *provided* that if the Company elects to extend the original maturity by one year, then in respect of each interest payment period during such extended period, interest rate shall be 5.50% per annum (if all interest with respect to such interest payment period is paid in cash) or 6.50% (if any portion of interest with respect to such interest payment period is paid in kind);<br>(2) *Tranche B*: 5.25% per annum (if all interest with respect to such interest payment period is paid in cash) or 6.25% (if any portion |

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| | of interest with respect to such interest payment period is paid in kind);<br><br>(3) <u>*Tranche C*</u>: 5.50% per annum (if all interest with respect to such interest payment period is paid in cash) or 6.50% (if any portion of interest with respect to such interest payment period is paid in kind);<br><br>(4) <u>*Tranche D*</u>: 5.75% per annum (if all interest with respect to such interest payment period is paid in cash) or 6.75% (if any portion of interest with respect to such interest payment period is paid in kind);<br><br>(5) <u>*Tranche E*</u>: 6.00% per annum (if all interest with respect to such interest payment period is paid in cash) or 7.00% (if any portion of interest with respect to such interest payment period is paid in kind); and<br><br>(6) <u>*Tranche F*</u>: 6.25% per annum (if all interest with respect to such interest payment period is paid in cash) or 7.25% (if any portion of interest with respect to such interest payment period is paid in kind).<br><br>In the event that any interest payment date falls prior to the Restructuring Effective Date, the interest payable on such interest payment date shall be paid in kind on the RED.<br><br>For the first five years after the Reference Date, interest on the New Notes may be paid either in cash or in kind, or a combination thereof, at the election of the Company, *provided* that the Company shall not be entitled elect to pay any interest in kind if more than 20% of the original principal amount of the MCBs have been redeemed and/or cancelled by the Company or otherwise repurchased and held by the Company and/or any of its affiliates on or prior to such interest payment date. Starting from the sixth year after the Reference Date, interest on the New Notes shall be paid entirely in cash.<br><br>The maximum amount of PIK notes will be issued for each tranche of New Notes to be issued will be as follows:<br><br>Tranche A: US$115 million (including Consent Fee)<br><br>Tranche B: US$173 million<br><br>Tranche C: US$305 million<br><br>Tranche D: US$384 million<br><br>Tranche E: US$606 million<br><br>Tranche F: US$601 million |

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| | With respect to each tranche of the New Notes, the Company shall pay a minimum amount of interest in cash as follows:<br><br>(a) in respect of each interest payment period from (and including) 28 December 2024 to (but excluding) 28 December 2025: 0.35% of the outstanding principal amount of such New Notes, payable on 28 December 2025;<br><br>(b) in respect of each interest payment period from (and including) 28 December 2025 to (but excluding) 28 December 2026: 0.625% of the outstanding principal amount of such New Notes, payable semi-annually on 28 June 2026 and 28 December 2026;<br><br>(c) in respect of each interest payment period from (and including) 28 December 2026 to (but excluding) 28 December 2027: 0.875% of the outstanding principal amount of such New Notes, payable semi-annually on 28 June 2027 and 28 December 2027; and<br><br>(d) in respect of each interest payment period from (and including) 28 December 2027 to (but excluding) 28 December 2028: 1.125% of the outstanding principal amount of such New Notes, payable semi-annually on 28 June 2028 and 28 December 2028. |
| **Ranking** | The New Notes will be:<br><br>• general obligations of the Company;<br>• senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes;<br>• at least *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated obligations pursuant to applicable law);<br>• guaranteed by the Subsidiary Guarantors on a senior basis, subject to the limitations described in the New Notes Indentures;<br>• subordinated in right of payment to the AHG Work Fee Notes;<br>• effectively subordinated to the secured obligations of the Company and the Subsidiary Guarantors to the extent of the value of the assets serving as security therefor; and<br>• effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries. |
| **Redemption** | *Redemption for tax reasons*<br><br>Subject to the terms of the relevant New Notes Indentures, the New Notes may be redeemed, at the option of the Company or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable) (with a copy to the Trustee and the Agents), at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, |

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| | to the date fixed by the Company or the Surviving Person, as the case may be, for redemption if there is any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Jurisdiction affecting taxation, among others.<br><br>*Optional Redemption*<br><br>Subject to the terms of the relevant New Notes Indentures, at any time and from time to time prior to the Maturity Date, the Company may at its option redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes as of, and accrued and unpaid interest, if any, to (but not including), the redemption date. |
| **Collateral** | The New Notes will be secured by:<br><br>(a) first ranking security over the Shareholder Loan (subject to the Sponsors' ability to set off payments for any Designated Rights Issue, as set forth in the RSA);<br>(b) first ranking security over the Offshore Allocation Account (as defined below);<br>(c) first ranking security over the Designated Onshore Account (as defined below) (on a best effort basis and subject to receipt of all relevant regulatory, judicial and/or governmental approvals as required to create valid security and any other conditions to be agreed between the Company and the Ad Hoc Group in the Restructuring Documents);<br>(d) first ranking security over the shares of the following entities:<br>(i) Ambitious Power Developments Limited;<br>(ii) Kaisa Overseas Group Limited;<br>(iii) Sino Superior Holdings Limited; and<br>(iv) each of the Subsidiary Guarantors under the June 2026 Notes. |
| **Negative Pledge** | For as long as any of the New Notes remains outstanding, the Specified Offshore Assets (as defined below) and the shares of the direct and indirect holding companies of such Specified Offshore Assets shall be subject to negative pledge undertakings, with details and subject to exceptions to be agreed in the Restructuring Documents with reference to similar arrangements in comparable transactions. |
| **Cash Sweep – Onshore Assets** | The Company shall procure that an onshore bank account (the "**Designated Onshore Account**") is established and designated by a member of the Group to be agreed between the Company and the Majority Ad Hoc Group in the long-form documentation, within ninety (90) days from the date of the RSA or such longer time as may be agreed between the Company and the Majority Ad Hoc Group (acting reasonably and taking into account efforts made by the Company to use best efforts to satisfy any requirements of the account bank to open such |

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| | new bank account), for the purpose of holding the Onshore Allocation Amount in accordance with this cash sweep undertaking.<br><br>Specified Onshore IP Sale<br><br>The Company shall, and shall procure the relevant member of the Group to, take all steps and actions necessary to dispose of any and all Investment Properties, directly or indirectly, as soon as reasonably practicable.<br><br>Upon consummation of any Specified Onshore IP Sale, the Company shall (or shall procure the relevant member of the Group to) remit 75% of the Net Cash Proceeds from such Specified Onshore IP Sale to the Designated Onshore Account as soon as reasonably practicable.<br><br>URP Distribution<br><br>Upon receipt of any cash proceeds or cash dividends from any URP Distribution by any member of the Group, the Company shall (or shall procure the relevant member of the Group to) remit 75% of the Net Cash Proceeds from such URP Distribution to the Designated Onshore Account as soon as reasonably practicable.<br><br>Remittance of the Onshore Allocation Amount to the Offshore Allocation Account<br><br>The Company shall use best efforts to remit and/or procure to remit any and all funds in the Designated Onshore Account to the Offshore Allocation Account as soon as reasonably practicable after the satisfaction of the CPs to the Onshore Cash Sweep. The funds in the Designated Onshore Account shall not be used or transferred for any other purpose.<br><br>The Company shall use best efforts to carry out (or procure the applicable Group member(s) to carry out) all steps and actions necessary or desirable which are within the control of the Company and the applicable Group member(s) to satisfy the CPs to the Onshore Cash Sweep, including without limitation taking all actions and steps necessary to procure such Group member(s) to promptly submit the remittance application (including all other supporting documents required in relation thereto) to the onshore account bank for transfer of the Onshore Allocation Amount to the Offshore Allocation Account.<br><br>"**Affiliate**" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person, whether now or in the future; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew |

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| | and niece of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.<br><br>"**Cash Sweep Assets**" means the assets subject to the cash sweep undertakings as described in the "Cash Sweep – Onshore Assets" and "Cash Sweep – Offshore Assets" below.<br><br>"**CPs to the Onshore Cash Sweep**" means (A) the Company and the relevant member(s) of the Group are in receipt of all relevant regulatory, judicial and/or governmental approvals; (B) all relevant regulatory, judicial or government restrictions on the Company and any relevant member(s) of the Group have been lifted; (C) all orders, requirements and requests from regulatory, judicial or government authorities have been satisfied and (D) no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body has been served, issued or made which makes it unlawful as a matter of PRC law or regulation for any remittance by the Company or relevant member(s) of the Group of the Onshore Allocation Amount to the Offshore Allocation Account.<br><br>"**Investment Properties**" means the investment properties as listed in Part A of Annex I of the Term Sheet, excluding any such asset that is disposed of on or after the date of the RSA in accordance with a Specified Onshore IP Sale, *provided* that if the Company or any member of the Group receives any non-cash consideration from a Specified Onshore IP Sale, such non-cash consideration will form part of the Investment Properties.<br><br>"**Net Cash Proceeds**" means the cash proceeds or cash dividends from (i) any Specified Onshore IP Sale, (ii) any URP Distribution or (iii) any Specified Offshore Asset Distribution, attributable to the Group (on a look-through basis and taking into account any adjustment for minority interests with mechanic and threshold to be agreed between the Company and the Ad Hoc Group in the long-form documentation), net of the following (but without double counting and/or duplication of deduction):<br><br>(1) actual brokerage commissions, land and construction related cost, project design and development cost, operational cost and other necessary fees and expenses (including fees and expenses of professional parties) related directly to such Specified Onshore IP Sale, URP Distribution, Specified Offshore Asset Distribution or the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be; |

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| | (2) provisions, made reasonably and in good faith, for all taxes which are paid or payable as a result of such Specified Onshore IP Sale, URP Distribution, Specified Offshore Asset Distribution or the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be (where applicable, as a result of advice from its professional advisers);<br><br>(3) any amount required or requested by PRC government bodies and/or under such applicable PRC law, rules, regulations, policies or measures to be deposited in a designated account or used for other purposes, which is not freely transferrable or disposable by the Company;<br><br>(4) indebtedness or any other liability or obligation outstanding (other than any to any of the Company's Affiliates or any Related Parties) at the time of such Specified Onshore IP Sale, URP Distribution or Specified Offshore Asset Distribution, as the case may be, that is (x) secured by a lien on the property or assets directly or indirectly sold under such Specified Onshore IP Sale, URP Distribution or Specified Offshore Asset Distribution, as the case may be, (y) incurred to fund the development expenses, project management expenses, and/or administrative expenses directly related to the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be, or (z) required to be paid directly as a result of such Specified Onshore IP Sale, URP Distribution or Specified Offshore Asset Distribution, as the case may be;<br><br>(5) indebtedness outstanding and owing to any Affiliate Funder at the time of such Specified Onshore IP Sale, URP Distribution or Specified Offshore Asset Distribution, as the case may be, *provided* that an amount equal to the deduction made under this paragraph (5) shall be applied to discharge one or more Third Party Debts owed by such Affiliate Funder that is incurred to fund the development expenses, project management expenses, and/or administrative expenses directly related to the relevant Cash Sweep Asset that is the subject of such sale or distribution (and not incurred in contemplation of such sale or distribution); and<br><br>(6) appropriate amounts to be provided by the Company or any Restricted Subsidiary, acting reasonably and in good faith, as a reserve against any liabilities directly associated with such Specified Onshore IP Sale, URP Distribution, Specified Offshore Asset Distribution or the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be, up to an amount to be agreed between the Company and the Ad Hoc Group, including, without limitation, pension and other post-employment benefit liabilities, amounts due to contractors and/or suppliers, liabilities related to environmental matters and liabilities under any indemnification obligations, land cost, project design cost and other operational cost associated with such Specified Onshore IP |

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| | Sale, URP Distribution, Specified Offshore Asset Distribution or the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be,<br><br>*provided* that, under no circumstances should any such deductions above include any amounts and/or liabilities which are:<br><br>(a) owed by any person other than the Group member(s) directly involved in the applicable Specified Onshore IP Sale, URP Distribution or Specified Offshore Asset Distribution, as the case may be;<br><br>(b) assigned, transferred or otherwise assumed by the relevant entities to be disposed of by the Group, the purchaser or any other third party in respect of the applicable Specified Onshore IP Sale, URP Distribution, Specified Offshore Asset Distribution or the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be; or<br><br>(c) any historical amounts which were previously due and payable but already discharged and/or paid by the relevant Group member(s) prior to the relevant sale or distribution, in respect of the applicable Specified Onshore IP Sale, URP Distribution, Specified Offshore Asset Distribution or the relevant Cash Sweep Asset that is the subject of such sale or distribution, as the case may be.<br><br>"**Affiliate Funders**" means any member of the Group which has directly or indirectly funded the development expenses, project management expenses and/or administrative expenses directly related to any Cash Sweep Asset.<br><br>"**Onshore Allocation Amount**" means the entire amount standing to the credit of the Onshore Designated Account from time to time.<br><br>"**Related Parties**" means any or all of the following:<br><br>(1) Mr. Kwok Ying Shing and Mr. Kwok Ying Chi;<br><br>(2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate) of the persons specified in clause (1);<br><br>(3) the estate, trust and any immediate family member of the persons listed in clause (1) or the legal representative of any of the foregoing; and<br><br>(4) any person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% or more by the persons specified in clauses (1), (2) and (3). |

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| | "**Specified Onshore Assets**" means the Investment Properties and the URPs.<br><br>"**Specified Onshore IP Sale**" means:<br><br>(i) any sale, transfer or disposal of any Investment Property; and/or<br><br>(ii) any sale, transfer or disposal of any shares in any company that directly or indirectly holds any Investment Property, subject to certain exceptions to be agreed in the long-form documentation (as agreed between the Company and the Ad Hoc Group),<br><br>in each case of (i) and (ii), other than any such sale, transfer or disposal which will not result in a reduction of the Company's overall legal and beneficial interest in such Investment Property.<br><br>"**Third Party Debts**" means any indebtedness incurred on arm's length terms and owed to one or more parties that are not Related Parties.<br><br>"**URPs**" means the urban renewal projects as listed in Part B of Annex I to the restructuring term sheet, excluding any such urban renewal project that is disposed of on or after the date of the RSA in accordance with a URP Distribution, *provided* that if the Company or any member of the Group receives any non-cash consideration from any URP Distribution, such non-cash consideration will form part of the URPs.<br><br>"**URP Distribution**" means:<br><br>(i) any sale, transfer or disposal of any URP;<br><br>(ii) any sale, transfer or disposal of any shares in any company that directly or indirectly holds any URP, subject to certain exceptions to be agreed in the long-form documentation (as agreed between the Company and the Ad Hoc Group); and/or<br><br>(iii) the payment of any dividend or other payment or distribution of any kind in respect of, any URP,<br><br>in each case of (i) and (ii), other than any such sale, transfer or disposal which will not result in a reduction of the Company's overall legal and beneficial interest in such URP. |
| **Cash Sweep – Offshore Assets** | The Company shall procure that an offshore bank account (the "**Offshore Allocation Account**") is established and designated by a member of the Group to be agreed between the Company and the Majority Ad Hoc Group in the long-form documentation, within ninety (90) days from the date of the RSA or such longer time as may be agreed between the Company and the Majority Ad Hoc Group (acting reasonably and taking into account efforts made by the Company to use best efforts to satisfy any requirements of the account bank to open such |

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| | new bank account) for the purpose of holding funds generated under the onshore and offshore cash sweep undertakings.<br><br>Upon receipt of any cash dividends on, or cash proceeds from any Specified Offshore Asset Distribution by the Company or any member of the Group, the Company shall (or shall procure the relevant member of the Group to), as soon as reasonably practicable, remit 100% of the Net Cash Proceeds of such Specified Offshore Asset Distribution to:<br><br>(i) the Designated Onshore Account in the event such Specified Offshore Asset Distribution is made in the PRC; or<br><br>(ii) the Offshore Allocation Account in the event such Specified Offshore Asset Distribution is made outside of the PRC.<br><br>The Company shall apply, or procure the application of, the Offshore Allocation Amount in the Offshore Allocation Account in the following order of priority:<br><br>(i) in the event that the accumulated and unapplied Offshore Allocation Amount in the Offshore Allocation Account exceeds US$5 million, for so long as any AHG Work Fee Notes remain outstanding, the Company shall apply such amount towards payment of any amount due and payable under the AHG Work Fee Notes at such time and/or redemption of the AHG Work Fee Notes at par plus accrued and unpaid interest from all holders of the AHG Work Fee Notes on a *pro rata* basis;<br><br>(ii) after all of the AHG Work Fee Notes have been redeemed, an amount required for payment of any and all amounts due and payable under the New Notes in the next twelve calendar months (the "**New Notes Debt Service Reserve**") shall be set aside so long as the New Notes remain outstanding and be applied solely towards payment of any and all amount due and payable under the New Notes; and<br><br>(iii) after all of the AHG Work Fee Notes have been redeemed and any amount constituting the New Notes Debt Service Reserve has been deducted and reserved, any remaining Offshore Allocation Amount shall be applied towards redemption and/or repurchase of the New Notes and/or the MCBs, at the Company's election, details of which are to be agreed in the Restructuring Documents between the Company and the Ad Hoc Group.<br><br>Notwithstanding the foregoing, prior to the occurrence of the Restructuring Effective Date, the Company may use any Net Cash Proceeds received prior to the Restructuring Effective Date that are subject to the onshore or offshore cash sweep undertakings under the "Cash Sweep – Onshore Assets" and "Cash Sweep – Offshore Assets" towards payment of the Specified Expenses and the Company shall remit (or procure the relevant member(s) of the Group to remit) any |

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| | remaining Net Cash Proceeds to the Designated Onshore Account or the Offshore Allocation Account (as applicable) on the Restructuring Effective Date.<br><br>"**Offshore Allocation Amount**" means the entire amount standing to the credit of the Offshore Allocation Account from time to time.<br><br>"**Specified Offshore Asset Distribution**" means:<br><br>(i) any sale, transfer or disposal of any Specified Offshore Asset;<br><br>(ii) any sale, transfer or disposal of any shares in any company that directly or indirectly holds any Specified Offshore Asset, subject to certain exceptions to be agreed in the long-form documentation (as agreed between the Company and the Ad Hoc Group); and/or<br><br>(iii) the payment of any dividend or other payment or distribution of any kind in respect of, any Specified Offshore Asset,<br><br>in each case of (i) and (ii), other than any such sale, transfer or disposal which will not result in a reduction of the Company's overall legal and beneficial interest in such Specified Offshore Asset.<br><br>"**Specified Offshore Assets**" means the assets listed in Annex II to the restructuring term sheet, excluding any such asset that is disposed of on or after the date of the RSA in accordance with a Specified Offshore Asset Distribution, *provided* that if the Company or any member of the Group receives any non-cash consideration from a Specified Offshore Asset Distribution, such non-cash consideration will form part of the Specified Offshore Assets.<br><br>"**Specified Expenses**" means the aggregate sum of:<br><br>(i) operating expenses reasonably incurred in the ordinary course of business by the Group not exceeding US$16,000,000;<br><br>(ii) the fees, costs and expenses of (a) the Company's advisers; (b) the Ad Hoc Group's Advisers; and (c) the agents, trustees or other administrative or professional parties directly involved in the Kaisa Proposed Restructuring and/or the Rui Jing Proposed Restructuring (as defined in the Rui Jing Term Sheet), as the case may be and in each case for the purposes of implementing the Kaisa Proposed Restructuring and/or the Rui Jing Proposed Restructuring; and<br><br>(iii) the cash component of the AHG Work Fee. |
| **Monitoring Agent** | On or prior to the Restructuring Effective Date, the Company shall appoint a Whitelist Firm to act as monitoring agent (the "**Monitoring Agent**") at the Company's own costs. The Monitoring Agent's |

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| | appointment shall cease once the AHG Work Fee Notes, the New Notes and the MCBs have been fully repaid and/or redeemed.<br><br>The Monitoring Agent shall monitor the Group's compliance with the cash sweep undertakings described in the "Cash Sweep – Onshore Assets" and "Cash Sweep – Offshore Assets" above.<br><br>For as long as any of the AHG Work Fee Notes, the New Notes and the MCBs remains outstanding, the Company shall (i) within 90 days after the end of the first semi-annual fiscal period of the Company for each year after the Original Issue Date, and (ii) within 120 days after the close of each fiscal year after the Original Issue Date, provide to the trustee(s) of the New Notes an Officers' Certificate certifying its compliance with the cash sweep undertakings and showing its calculation of any Net Cash Proceeds generated under the cash sweep undertakings. Each Officers' Certificate shall be delivered together with a certificate or report from the Monitoring Agent, the *pro forma* template of which shall be agreed between the Company, the Monitoring Agent and the Ad Hoc Group and appended to the New Notes Indentures, *provided* that if the Monitoring Agent refuses to provide such certificate or report (due to reasons unrelated to and not caused by any actual or potential breach by the Company or any Group members of their legal obligations), the Company shall procure a new Monitoring Agent to provide such certificate or report within 90 days after the original due date of the relevant Officers' Certificate.<br><br>The Company shall deliver to the Monitoring Agent any information and documentation as may be reasonably requested or required by the Monitoring Agent to perform its duties from time to time. Without limiting the generality of the foregoing, upon the consummation of any Specified Onshore IP Sale, URP Distribution or Specified Offshore Asset Distribution, the Company shall provide to the Monitoring Agent details of the relevant disposal or distribution, including the amount and nature of the consideration, parties, timing for completion and/or other information reasonably requested or required by the Monitoring Agent to perform its duties, subject to compliance with applicable laws, rules and regulations (including, without limitation, the listing rules of the Stock Exchange of Hong Kong Limited). The Monitoring Agent shall notify the trustee(s) of the New Notes in the event the Company fails to comply with this undertaking.<br><br>"**Whitelist Firm**" means any of the firms as listed in the Explanatory Statement (including their respective affiliates, successors and assigns).<br><br>After the Restructuring Effective Date, if the Company proposes to change the Monitoring Agent to a firm other than a Whitelist Firm, the Company shall provide a written notice of such proposed change to holders of the New Notes, and such change shall be effective unless the Company receives objection from holders of over 50% in aggregate outstanding principal amount across all tranches of the New Notes within 20 business days of its written notice, *provided* that any |

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| | replacement Monitoring Agent appointed within the first 3 years after the Restructuring Effective Date should be a Whitelist Firm. |
| **Creditors' Monitoring Council** | (a) The Company shall establish the Creditors' Monitoring Council as soon as reasonably practicable, and in any event within five Business Days after the Original Issue Date (as defined under the New Notes Indentures). The Creditors' Monitoring Council shall not be treated as established unless a legally binding CMC Appointment Letter is executed and approved in writing by the Independent Financial Advisor. A breach of this obligation shall constitute an Event of Default.<br><br>(b) The Company shall ensure that the Creditors' Monitoring Council shall remain in force for a minimum term of six months, subject to extension from time to time with the mutual consent of the Company and the members of the Creditors' Monitoring Council, *provided*, *however*, that there shall be no obligation on the Company or any member of the Creditors' Monitoring Council to agree to any such extension.<br><br>"**Creditors' Monitoring Council**" means a group of institutions or organizations where such group shall have the following criteria: (i) no council member shall be an Affiliate of the Company, (ii) the council shall be established to perform certain monitoring functions relating to the Company's business and the appointment terms of the council shall be mutually agreed between the Company and the council members and documented in a CMC Appointment Letter.<br><br>"**CMC Appointment Letter**" means an appointment letter to be executed in order to establish the Creditors' Monitoring Council setting forth the terms of the appointment of the members of the council (including the scope of the council's powers, the termination provisions, exclusion of liability and compensation for council members), provided that such letter would only constitute a "CMC Appointment Letter" if the form and substance of such letter, including the composition of the Creditors' Monitoring Council, is approved in writing on or prior to the date of such letter, by an Independent Financial Advisor, acting in its sole discretion and taking into account, including but not limited to, each proposed member's expertise and capabilities in corporate governance, private credit and capital markets transactions, along with its familiarity of with the business of the Group and the terms of its most recent financial restructuring.<br><br>"**Independent Financial Advisor**" means AMC Capital Advisory Services Limited, a company incorporated with limited liability under the laws of Hong Kong with business registration number 67811034 and having its registered office at House 41, Phase 5, La Mer-Caribbean Coast, 1 Kin Tung Road, Tung Chung, Lantau, Hong Kong. |

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| **Limitation on Incurrence of Super Senior Debt** | The Company and the Restricted Subsidiaries may only incur indebtedness that ranks senior to the AHG Work Fee Notes ("**Super Senior Debt**") if:<br><br>(1) for so long as any AHG Work Fee Notes remain outstanding, 100% of the net cash proceeds actually received by the Company or any Restricted Subsidiary (net of any discount, upfront fees and commissions paid to arrangers, financiers or bookrunners, or other fees and payments of a similar nature) ("**Super Senior Debt Net Proceeds**") shall be applied to redeem, repay or repurchase the AHG Work Fee Notes;<br><br>(2) after the AHG Work Fee Notes have been redeemed, repaid or repurchased in full, 80% of the Super Senior Debt Net Proceeds shall be applied towards payment of the New Notes Debt Service Reserve; and<br><br>(3) after the AHG Work Fee Notes have been redeemed, repaid or repurchased in full and any amount constituting the New Notes Debt Service Reserve has been deducted, 80% of the Super Senior Debt Net Proceeds shall be applied towards redemption and/or repurchase of the New Notes and/or the MCBs, at the Company's election.<br><br>Detailed parameters of the Super Senior Debt shall be agreed between the Company and the Ad Hoc Group in the Restructuring Documents. |
| **Information Undertaking with respect to Onshore Restructuring Update** | Subject to compliance with applicable laws, regulations, listing rules, and stock exchange requirements, the Company will provide quarterly updates on the general progress of its onshore debt restructuring in accordance with the requirements to be agreed between the Company and the Ad Hoc Group in the Restructuring Documents. |
| **Change of Control Repurchase Obligation** | To follow the existing construct and framework as set out in the indenture governing the June 2026 Notes, save that in subparagraph (3) of the "Change of Control" definition in the indenture of the June 2026 Notes, the minimum holding threshold of Permitted Holders shall be lowered from 35% to 15%. |
| **Other Restrictive Covenants** | Unless otherwise specified in the Term Sheet, covenants of the New Notes are to be substantially the same as those set out in the indenture governing the June 2026 Notes, but to be amended as reasonably necessary and as agreed in the Restructuring Documents between the Company and the Ad Hoc Group. |
| **Amendments with Consent of Holders** | Amendment provisions will be similar to those in the June 2026 Notes, save that amendments, modifications or waivers that would require the consent of holders of 100% in aggregate principal amount of the June |

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| | 2026 Notes would only require the consent of the holders of not less than 75% in aggregate principal amount of the relevant tranche of the New Notes then outstanding. |
| **Event of Default** | The events of default provision for the New Notes will substantially follow those for the June 2026 Notes and carve out the defaults under other indebtedness whose occurrence is as a result of any default or event of default under certain excluded indebtedness, and final judgments and orders for payment of money and certain insolvency proceedings in relation to such excluded indebtedness.<br><br>In addition, any event of default as a result of failure to pay principal or interest by the Company under the AHG Work Fee Notes shall result in an event of default under each tranche of the New Notes. |
| **Enforcement Instructions** | Until the AHG Work Fee Notes have been repaid / redeemed in full, only the trustee of the AHG Work Fee Notes may instruct the New Collateral Agent to enforce against the Collateral upon the occurrence of an event of default that is continuing (and the enforcement rights of the respective trustees of the New Notes and the MCBs shall be suspended). |
| **Transfer Restrictions** | The New Notes and the subsidiary guarantees thereon will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. |
| **Form, Denomination and Registration** | The New Notes will be issued only in fully registered form and will be initially represented by one or more global certificates. The minimum denomination will be US$1.00 and integral multiples of US$1.00 in excess thereof. |
| **Clearing Systems** | Euroclear, Clearstream and/or such other clearing system as may be agreed in the Restructuring Documents between the Company and the Ad Hoc Group. |
| **New Trustee and New Collateral Agent** | The trustee and/or collateral agent for the New Notes initially will be GLAS Agency (Hong Kong) Limited. |
| **Use of Proceeds** | The Company will not receive any cash proceeds from the issue of the New Notes. Any Existing Debt Instrument in connection with the Restructuring will be cancelled upon the occurrence of the Restructuring Effective Date. |
| **Governing Law and Jurisdiction** | The New Notes, the subsidiary guarantees thereon and the New Notes Indentures will be governed by and will be construed in accordance with the laws of the State of New York. |

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| | U.S. federal and New York state courts located in the Borough of Manhattan, The City of New York are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Notes, the subsidiary guarantees thereon and the New Notes Indentures. |

7.3 **Summary of the Mandatory Convertible Bonds**

| **Terms of the Mandatory Convertible Bonds**<br>*Capitalised terms not defined below will be defined in the trust deeds governing the MCBs (the "**MCB Trust Deeds**").* | |
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| **Issuer** | The Company |
| **Subsidiary Guarantors and Springing Guarantors** | Same as the New Notes. |
| **Original Issue Date** | The Restructuring Effective Date |
| **Convertible Bonds to be Issued** | Mandatory Convertible Bonds (the "**MCBs**") convertible into new ordinary shares of the Company listed on the Stock Exchange of Hong Kong Limited (the "**SEHK**") (the "**Shares**"). |
| **Original Issue Amount** | The MCBs shall comprise eight tranches of MCBs, with an aggregate original principal amount for each tranche of MCBs equal to the sum of (i) the aggregate principal amount of such tranche of MCBs to be issued to all Kaisa Scheme Creditors under the Kaisa Scheme (s) and (ii) the aggregate principal amount of such tranche of MCBs to be issued under the Rui Jing Scheme(s) (as defined in the RSA).<br><br>The aggregate principal amount for each tranche of MCBs will be as follows:<br>(1) *Tranche A*: US$300 million;<br>(2) *Tranche B*: US$400 million;<br>(3) *Tranche C*: US$500 million;<br>(4) *Tranche D*: US$800 million;<br>(5) *Tranche E*: US$800 million;<br>(6) *Tranche F*: US$1,000 million;<br>(7) *Tranche G*: US$1,000 million; and<br>(8) *Tranche H*: approximately US$1,903 million. |
| **Maturity Date** | (9) *Tranche A*: 31 December 2025;<br>(10) *Tranche B*: 31 December 2026;<br>(11) *Tranche C*: 31 December 2027;<br>(12) *Tranche D*: 31 December 2028;<br>(13) *Tranche E*: 31 December 2029; |

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| | (14) *Tranche F*: 31 December 2030;<br>(15) *Tranche G*: 31 December 2031; and<br>(16) *Tranche H*: 31 December 2032. |
| **Interest** | Nil |
| **Ranking, Collateral and Cash Sweep** | Same as the New Notes |
| **Conversion** | **Voluntary Conversion**:<br><br>Tranche B MCBs and Tranche C MCBs shall become voluntarily convertible 6 months[4] prior to their respective maturity and the other tranches of the MCBs shall become voluntarily convertible 12 months prior to their respective maturity, *provided* that no voluntary conversion shall be made in the first 2 years from the Reference Date.<br><br>VWAP Early Voluntary Conversion Triggers<br><br>"**VWAP Early Voluntary Conversion Trigger Date**" means the earliest trading day after December 31, 2027, on which the volume weighted average price of the Shares traded on the SEHK for the 30 trading days ending on such trading day is equal to or above the Conversion Price for the relevant MCBs.<br><br>In the event the VWAP Early Voluntary Conversion Trigger Date occurs, all of the relevant MCBs will become immediately convertible into the Shares at the relevant Conversion Price at the election of the holders of the MCBs.<br><br>**Mandatory Conversion**:<br><br>On maturity, each tranche of the outstanding MCBs will be mandatorily converted into Shares at the relevant Conversion Price. |
| **No Participating Rights in Takeover** | Holders of the Bonds will not have any participating rights in the event of a takeover offer for the Company. |
| **Adjustments to Conversion Price** | Subject to terms and conditions of the Bonds, the Conversion Price of the Bonds will be subject to adjustment in the following events:<br><br>(i) *Consolidation, Subdivision, Redesignation or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision redesignation or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction: |

[4] May be adjusted if the RED is later than 31 December 2024.

$$\frac{A}{B}$$

Where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date such consolidation, subdivision, redesignation or reclassification takes effect.

(ii) *Capitalisation of Profits or Reserves:*

(1) If and whenever the Company shall issue any Shares credited as fully paid to the holders of Shares (the "**Shareholders**") by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any Scrip Dividend (as defined in this Condition 6(C) (Adjustments to Conversion Price)) and which would not have constituted a Capital Distribution (as defined in this Condition 6(C) (Adjustments to Conversion Price)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(2) In the case of an issue of Shares by way of a Scrip Dividend where the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price (as defined in Condition 6(C) (Adjustments to Conversion Price)) per Share on the date of announcement of the terms of such Scrip Dividend exceeds the amount of the Relevant Cash Dividend (as

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| | defined in Condition 6(C) (Adjustments to Conversion Price)) or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:<br><br>$$\frac{A+B}{A+C}$$<br><br>Where:<br><br>A — is the aggregate nominal amount of the issued Shares immediately before such issue;<br><br>B — is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (a) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend for which Shareholders have elected to receive as Shares issued by way of Scrip Dividend and (b) the denominator is the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price per Share on the date of such announcement; and<br><br>C — is the aggregate nominal amount of Shares issued by way of such Scrip Dividend;<br><br>Such adjustment shall become effective on the date of issue of such Shares issued by way of Scrip Dividend or if a record date is fixed therefor, immediately after such record date.<br><br>(iii) *Capital Distributions:* If and whenever the Company shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(C)(ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:<br><br>$$\frac{A-B}{A}$$<br><br>Where:<br><br>A — is the Current Market Price per Share on the date on which the Capital Distribution is first publicly announced; and |

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| | B is the Fair Market Value per Share.<br><br>Such adjustment shall become effective on the date that such Capital Distribution is actually made or paid or if a record date is fixed therefor, immediately after such record date. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "**Fair Market Value**") be determined as at the date on which the Capital Distribution is first publicly announced or, if later, the first date on which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.<br><br>In making any calculation pursuant to this Condition 6(C)(iii), such adjustments (if any) shall be made as an Independent Financial Advisor (as defined in this Condition 6(C) (Adjustments to Conversion Price)) may consider appropriate to reflect (1) any consolidation or subdivision of the Shares, (2) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (3) the modification of any rights to dividends of Shares or (4) any change in the fiscal year of the Company.<br><br>(iv) *Rights Issues of Shares or Options over Shares:* If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 85 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:<br><br>$$\frac{A + B}{A + C}$$<br><br>Where:<br><br>A is the aggregate number of Shares in issue immediately before such announcement;<br><br>B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and<br><br>C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant. |

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| | Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.<br><br>(v) *Rights Issues of Other Securities:* If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:<br><br>$$\frac{A - B}{A}$$<br><br>Where:<br><br>A is the Current Market Price per Share on the date on which such issue or grant is publicly announced; and<br><br>B is the Fair Market Value per Share on the date of such announcement of the portion of the rights attributable to one Share.<br><br>Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "**Fair Market Value**") be determined as at the date on which the terms of such issue or grant are publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Shares in relation to such issue or grant is capable of being determined as provided herein.<br><br>(vi) *Issues at less than Current Market Price:* If and whenever the Company shall issue (otherwise than as mentioned in Condition 6(C)(iv) above) any Shares (other than (1) Shares issued on the exercise of Conversion Rights, upon Mandatory Conversion or on the exercise of any other rights of |

conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in Condition 6(C)(iv) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 85 per cent. of the Current Market Price on the date of the first public announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such Current Market Price per Share; and

C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Company of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

(vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(C)(vii), if and whenever the Company or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(C)(iv), 6(C)(v) or 6(C)(vi)) or (at the direction or request of or pursuant to any arrangements with the Company or any of

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| | its Subsidiaries) any other company, person or entity, shall issue any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 85 per cent. of the Current Market Price on the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:<br><br>$$\frac{A + B}{A + C}$$<br><br>Where:<br><br>A is the aggregate number of Shares in issue immediately before such issue;<br><br>B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share on the date of such announcement; and<br><br>C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.<br><br>Such adjustment shall become effective on the date of issue of such securities<br><br>(viii) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(C)(vii) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 85 per cent. of the Current Market Price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction: |

$$\frac{A + B}{A + C}$$

Where:

A is the aggregate number of Shares in issue immediately before such modification;

B is the maximum number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share on the date of such announcement or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 6(C)(viii) or Condition 6(C)(vii).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(ix) *Other Offers to Shareholders:* If and whenever the Company or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 6(C)(iv), Condition 6(C)(v), Condition 6(C)(vi) or Condition 6(C)(vii)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$A - B$$

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| | A<br><br>Where:<br><br>A is the Current Market Price per Share on the date on which such issue, sale or distribution is publicly announced; and<br><br>B is the Fair Market Value of the portion of the rights attributable to one Share.<br><br>Such adjustment shall become effective on the date of issue, sale or distribution of the securities. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "**Fair Market Value**") be determined as at the date on which the terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Shares is capable of being determined as provided herein.<br><br>(x) *Other Events*: If the Company determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6 (Conversion), the Company shall, at its own expense, consult an Independent Financial Advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination, *provided* that where events or the circumstances giving rise to any adjustment pursuant to this Condition 6(C) (Adjustments to Conversion Price) have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6(C) (Adjustments to Conversion Price) as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders' interest in the Company's equity caused by such events or circumstances. |

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| | In this Condition 6(C) (Adjustments to Conversion Price), where the events or circumstances giving rise to any adjustment pursuant to any of the above adjustments under this Condition 6(C) (Adjustments to Conversion Price) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 (Conversion) as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result.<br><br>Notwithstanding the foregoing, the Company may, subject to compliance with applicable laws, rules, regulations, policies or measures and the receipt of all relevant regulatory, judicial and/or governmental approvals, undertake one or more rights issue with reference to the then prevailing market price per rights share prior to or after the Original Issue Date in which Mr Kwok Ying Shing and/or Mr Kwok Ying Chi (the "**Sponsors**") may participate in such rights issue (each, a "**Designated Rights Issue**") in the form of a Permitted Set-off. The Designated Rights Issue will not result in any adjustment to the Conversion Price.<br><br>In these Conditions (unless otherwise stated):<br><br>"**30-Trading Day-VWAP**" means the VWAP for the Shares for the 30 Trading Days immediately preceding the relevant calculation date, *provided* that where any event giving rise to any adjustment as set out in Condition 6(C) (Adjustments to Conversion Price) occurs during any such 30 Trading Days for the purposes of calculating the 30-Trading-Day VWAP, the share prices in the relevant Adjustment Period shall be subject to adjustments for such event in the same manner as set forth in Condition 6(C) (Adjustments to Conversion Price), further *provided* that each such adjustment shall be effective on each date during the relevant Adjustment Period.<br><br>"**90-Trading Day-VWAP**" means the VWAP for the Shares for the 90 Trading Days immediately preceding the relevant calculation date, *provided* that where any event giving rise to any adjustment as set out in Condition 6(C) (Adjustments to Conversion Price) occurs during any such 90 Trading Days for the purposes of calculating the 90-Trading-Day VWAP, the share prices in the relevant Adjustment Period shall be subject to adjustments for such event in the same manner as set forth in Condition 6(C) (Adjustments to Conversion Price), further *provided* that each such adjustment shall be effective on each date during the relevant Adjustment Period.<br><br>"**Adjustment Period**" means: |

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| | (i) with respect to any 30-Trading-Day VWAP calculation period, the period from and including the first date of such 30-Trading-Day VWAP calculation period and ending on the Trading Day immediately prior to the date on which the event giving rise to the relevant adjustment as set out in Condition 6(C) (Adjustments to Conversion Price) is first publicly announced; and<br><br>(ii) with respect to any 90-Trading-Day VWAP calculation period, the period from and including the first date of such 90-Trading-Day VWAP calculation period and ending on the Trading Day immediately prior to the date on which the event giving rise to the relevant adjustment as set out in Condition 6(C) (Adjustments to Conversion Price) is first publicly announced.<br><br>"**Alternative Stock Exchange**" means at any time, in the case of the Shares, if they are not at that time listed and traded on SEHK, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.<br><br>"**Capital Distribution**" means:<br><br>(i) the aggregate distribution of assets in specie by the Company for any financial period whenever paid or made and however (and for these purposes a distribution of assets in specie includes, without limitation, an issue of Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(C)(ii)(1) and a Scrip Dividend adjusted for under Condition 6(C)(ii)(2); and<br><br>(ii) the aggregate cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Company for any financial period (whenever paid and however described),<br><br>*provided* that a purchase or redemption of Shares by or on behalf of the Company (or a purchase of Shares by or on behalf of a Subsidiary of the Company) shall not constitute a Capital Distribution unless the weighted average price or consideration per Share (before expenses) on |

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| | any one day in respect of such purchases or redemptions exceeds the Current Market Price of a Share by more than 15 per cent. either (1) on that date, or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2) of this definition, the relevant day is not a Trading Day, the immediately preceding Trading Day, in which case such purchase or redemption shall be deemed to constitute a Capital Distribution in an amount equal to the amount by which the aggregate consideration paid (before expenses) in respect of such Shares purchased or redeemed exceeds the product of (A) 115 per cent. of such Current Market Price and (B) the number of Shares so purchased or redeemed;<br><br>"**Closing Price**" of the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet published by SEHK or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day.<br><br>"**Conversion Date**" means the Maturity Date, the Trigger Conversion Date, the Voluntary Conversion Date, the COC Conversion Date or the EOD Conversion Date, as the case may be, as set out in Condition 6 (*Conversion*).<br><br>"**Conversion Period**" means each of the Voluntary Conversion Period, the Trigger Conversion Period, the COC Conversion Period and the EOD Conversion Period, as applicable.<br><br>"**Conversion Right**" means the right of any Bondholder to convert any Bond held by it into Shares pursuant to and in accordance with the terms and conditions of this Trust Deed and the Conditions.<br><br>"**Current Market Price**" means, in respect of a Share on a particular date, the arithmetic average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the five consecutive Trading Days ending on the Trading Day immediately preceding such date, *provided* that if at any time during the said five Trading Day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum- dividend then:<br><br>(i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or<br><br>(ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the |

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| | purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share;<br><br>and *provided further* that if the Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.<br><br>"**Daily Quotation Sheet**" means the daily quotation sheet published by SEHK or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange.<br><br>"**EOD Conversion**" has the meaning given to it under Condition 6(A)(iv).<br><br>"**EOD Conversion Period**" has the meaning given to it under Condition 6(A)(iv).<br><br>"**Fair Market Value**" means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, *provided* that an Independent Financial Advisor will not be required to determine the fair market value where (i) the Capital Distribution is paid in cash, in which case the fair market value of such cash Capital Distribution per Share shall be the amount of such cash Capital Distribution per Share and (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of adequate liquidity (as determined by such Independent Financial Advisor), the fair market value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing price of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than Hong Kong dollars shall be translated into Hong Kong dollars at the Prevailing Rate on such date. In addition, in the case of proviso (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit.<br><br>"**GAAP**" means generally accepted accounting principles in Hong Kong as in effect from time to time. All ratios and computations contained or referred to in the Indentures shall be computed in conformity with GAAP applied on a consistent basis. |

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| | "**Independent Financial Advisor**" means a reputable independent financial advisor or financial institution with appropriate expertise selected by the Company and notified in writing to the Trustee.<br><br>"**Mandatory Conversion**" has the meaning given to it under Condition 6(A)(i).<br><br>"**Notes EOD**" has the meaning given to "Event of Default" under the Indentures.<br><br>"**Person**" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof.<br><br>"**Prevailing Rate**" means, in respect of any currency on any day, the bid exchange rate between the relevant currencies prevailing as at or about 12:00 noon (London time) on that date as appearing on or derived from the Relevant Page or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined.<br><br>"**Relevant Cash Dividend**" means any cash dividend specifically declared by the Company.<br><br>"**Relevant Page**" means the relevant Bloomberg BFIX page (or its successor page) or, if there is no such page, on the relevant Reuters HKDFIX page (or its successor page) or such other information service provider that displays the relevant information.<br><br>"**Scrip Dividend**" means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 6(C)(iii) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 6(C)(ii).<br><br>"**Subsidiary**" means, with respect to any Person, any corporation, association or other business entity (i) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) of which 50% or less of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person and in each case of (i) and (ii) which is "controlled" and consolidated by such Person in accordance with GAAP. |

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| | "**Trading Day**" means a day when SEHK or, as the case may be an Alternative Stock Exchange is open for the business of dealing in securities, *provided* that for the purposes of any calculation where a Closing Price is required, if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.<br><br>"**Trigger Conversion**" has the meaning given to it under Condition 6(A)(iii).<br><br>"**Trigger Conversion Period**" has the meaning given to it under Condition 6(A)(iii).<br><br>"**Voluntary Conversion**" has the meaning given to it under Condition 6(A)(ii).<br><br>"**Voluntary Conversion Period**" has the meaning given to it under Condition 6(A)(ii).<br><br>"**VWAP**", in respect of a Share on any Trading Day, or series of Trading Days, the order book volume weighted average price of a Share appearing on or derived from the Relevant Page (or any successor to or replacement of such page) or such other source as shall be determined to be appropriate by an Independent Financial Advisor on such Trading Day, or series of Trading Days, *provided* that on any Trading Day where such price is not available or cannot otherwise be determined as provided above, the VWAP of a Share in respect of such Trading Day shall be the VWAP, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.<br><br>On any adjustment, the Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to Bondholders in accordance with Condition 17 (Notices) and the Conversion Agent as soon as practicable after the determination thereof.<br><br>The Conversion Price may not be reduced so that, on the conversion of any Bond, Shares would be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in the Cayman Islands and Hong Kong.<br><br>If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 6(C) (Adjustments to Conversion Price) should be |

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| | made, and following consultation between the Company and an Independent Financial Advisor, a written opinion of such Independent Financial Advisor in respect thereof shall be conclusive and binding on the Company, the Bondholders and the Conversion Agent, save in the case of manifest error. Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.<br><br>No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(C)(i) above.<br><br>Notwithstanding anything to the contrary in these Conditions or the Trust Deed, no adjustment will be made to the Conversion Price when Shares, options or other securities are issued, offered, exercised, allotted, appropriated, modified or granted to or for the benefit of employees (including directors) of the Company or any of its Subsidiaries pursuant to any Employee Share Scheme (as defined in the Trust Deed) (and which Employee Share Scheme is in compliance with the Rules Governing the Listing of Securities on SEHK or, if applicable, the listing rules of an Alternative Stock Exchange) *provided* that such issues do not amount to, or entitle such persons to receive shares in excess of five per cent. of the average number of issued and outstanding shares during the 12 months period up to the grant of such Shares, options or other securities. For the avoidance of doubt, where the exercise price of the options granted under any such Employee Share Scheme is at least the higher of: (1) the closing price of the Shares as stated in SEHK 's Daily Quotation Sheet on the date of grant, which must be a Trading Day; and (2) the arithmetic average of the closing price of the Shares as stated in SEHK's Daily Quotation Sheets for the five Trading Days immediately preceding the date of grant, the grant or the subsequent exercise of such options would not trigger any adjustment under these Conditions;<br><br>Any references herein to the date on which a consideration is "fixed" shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.<br><br>References to any issue or offer or grant to Shareholders "as a class" or "by way of rights" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any |

<table>
<tr><td></td><td>territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.<br><br>The Trustee and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price and will not be responsible to Bondholders for any loss arising from any failure by it to do so, the Trustee and the Agents shall be entitled to rely without liability to any Bondholder on any report or certificate of a director of the Company in connection therewith.</td></tr>
<tr><td>Fixed Exchange Rate</td><td>On any conversation into the Shares, US$1.00 in principal amount of the MCBs shall be translated at a fixed rate of 7.85 Hong Kong dollars.</td></tr>
<tr><td>Conversion Price</td><td>HK$4.75 per share for the Tranche A, Tranche B and Tranche C MCBs.<br><br>HK$4.05 per share for the Tranche D, Tranche E, Tranche F, Tranche G and Tranche H MCBs.<br><br>For an explanation of the conversion price, please see below after this table.</td></tr>
<tr><td>Anti-Dilution</td><td>Certain customary anti-dilution protections and adjustment of the conversion price (including against dividends and other distributions, consolidations, subdivisions, redesignations and reclassification of shares and certain other dilutive events) to be agreed between the Company and the Ad Hoc Group in the Restructuring Documents, provided that no adjustment shall be made for any dilution arising out of the Designated Rights Issue.</td></tr>
<tr><td>MCB Discounted Call Redemption</td><td>The Company may, at its option, redeem any or all of the MCBs on a pro rata basis from all holders at a redemption price as set out in the table below, provided that (i) such redemption shall only be conducted after the AHG Work Fee Notes are fully repaid or refinanced, and any MCBs so redeemed will be forthwith cancelled, and (ii) no Event of Default has occurred and is continuing under the New Notes or the MCBs:<br><br>
<table>
<tr><th>MCB Discounted Call Redemption Period</th><th>MCB Discounted Call Redemption Price</th></tr>
<tr><td>1 January 2025 to 31 December 2025</td><td>25% of the outstanding principal amount of the MCBs</td></tr>
<tr><td>1 January 2026 to 31 December 2026</td><td>35% of the outstanding principal amount of the MCBs</td></tr>
<tr><td>1 January 2027 to 31 December</td><td>50% of the outstanding</td></tr>
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| | |
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| | <table><tr><td>2027</td><td>principal amount of the MCBs</td></tr></table> |
| **Tender Offer** | The Company may make an offer to purchase any MCBs at any purchase price, *provided* that (1) no Event of Default has occurred and is continuing under the New Notes or the MCBs; and (2) the AHG Work Fee Notes have already been redeemed/repaid in full. |
| **Treatment at an Event of Default under the New Notes** | If an Event of Default occurs and is continuing under the New Notes:<br>(1) the outstanding MCBs shall become immediately due and payable debt claims that rank *pari passu* with the New Notes;<br>(2) the holders of the MCBs may voluntarily convert their MCBs into the Company's shares at the Conversion Price for the respective tranche(s) of the MCBs, *provided, however,* if the Company fails to satisfy such voluntary conversion requests, the Company shall settle any relevant debt claims in cash; and<br>(3) there shall be no requirement for the mandatory conversion of all or any part of the MCBs. |
| **Monitoring Agent** | Same as the New Notes (except that references to "New Notes" shall refer to "MCBs") |
| **Events of Default** | Customary events of default, with details to be agreed between the Company and the Ad Hoc Group as set out in the Restructuring Documents. |
| **Form, Denomination and Registration** | The MCBs will be issued only in fully registered form and will be initially represented by one or more global notes.<br>The minimum denomination will be US$1.00 and integral multiples of US$1.00 in excess thereof. |
| **Transfer Restrictions** | The MCBs will not be registered under the Securities Act or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. |
| **Amendments with Consent of the Holders** | To be agreed in the Restructuring Documents, but any amendments or waivers relating to money terms conversion or security amendments in respect of the Mandatory Convertible Bonds shall only be made or take effect if:<br>(a) approved by at least 66% by value of the votes cast at a validly convened meeting of holders of the Mandatory Convertible Bonds, |

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| | which is attended by two or more holders representing no less than $66\,^{2}/_{3}\%$ of the outstanding principal amount of the Mandatory Convertible Bonds at the time or (if such meeting is adjourned for lack of quorum) at the adjourned meeting, which is attended by two or more holders representing no less than 50% of the outstanding principal amount of the Mandatory Convertible Bonds at the time; or<br>(b) approved, by way of a written resolution or electronic consents, signed or otherwise approved by holders of the Mandatory Convertible Bonds representing no less than 75% of the outstanding principal amount of the Mandatory Convertible Bonds. |
| **Condition Subsequent** | The Company will comply with any post-issuance filing obligations required by the China Securities Regulatory Commission ("**CSRC**"), including the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境内企业境外发行证券和上市管理试行办法) published by CSRC on 17 February 2023, coming into effective on 31 March 2023. |
| **Clearing Systems** | Euroclear, Clearstream and/or such other clearing system as may be agreed in the Restructuring Documents between the Company and the Ad Hoc Group. |
| **New Trustee and New Collateral Agent** | The trustee and/or collateral agent for the MCBs initially will be GLAS Agency (Hong Kong) Limited. |
| **Use of Proceeds** | The Company will not receive any cash proceeds from the issue of the Mandatory Convertible Bonds. Any Existing Debt Instrument in connection with the Restructuring will be cancelled upon the occurrence of the Restructuring Effective Date. |
| **Governing Law and Jurisdiction** | The Mandatory Convertible Bonds and the MCB Trust Deeds will be governed by and will be construed in accordance with the laws of Hong Kong.<br>Hong Kong courts are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Mandatory Convertible Bonds and the MCB Trust Deeds. |

(a) The Mandatory Convertible Bonds will be convertible into new Shares. The conversion price is fixed at HK$ 4.75 per share for the Tranche A, Tranche B and Tranche C Mandatory Convertible Bonds, and HK$ 4.05 per share for the Tranche D, Tranche E, Tranche F, Tranche G and Tranche H Mandatory Convertible Bonds. The conversion price is used to calculate the number of shares to be issued to the Scheme Creditors upon conversion of the MCBs, and

the Conversion Price does not represent the actual trading value of the shares issued.

(b) The terms of the Mandatory Convertible Bonds, including the conversion prices, were agreed after extensive negotiation with the Ad Hoc Group. Considerations include, amongst other things, the sustainability of the capital structure post-Restructuring, and the continuity of business strategy and the effectiveness of the business operations after the dilutive impact on the existing shareholders. In particular: (i) the aggregate value of Mandatory Convertible Bonds was calculated so that a sufficient amount of the In-Scope Debt would be converted into equity, such that the Group's capital structure could be sustainable in the long term, and (ii) the conversion prices were then calculated to achieve the agreed level of dilution of existing shareholders' equity in the Company, to facilitate a seamless transition during and after the Restructuring, and allow the Company to continue executing its business strategy without significant disruption.

7.4 **Summary of the AHG Work Fee Notes**

| **Terms of the AHG Work Fee Notes**<br>*Capitalised terms used but not defined below will be defined in the indenture governing the AHG Work Fee Notes (the "**AHG Work Fee Notes**").* | |
|---|---|
| **Issuer** | Kaisa Group Holdings Ltd. |
| **Original Issue Date** | The Restructuring Effective Date |
| **Subsidiary Guarantors** | Same as the New Notes. |
| **Principal Amount** | US$ 6,159,537 to be issued on the Original Issue Date in partial satisfaction of the Company's obligation to pay the AHG Work Fee. |
| **Maturity** | 30 November 2027 |
| **Status and Priority** | The AHG Work Fee Notes shall rank senior to the New Notes, the MCBs and all other present and future obligations of the Company that are *pari passu* with the New Notes and the MCBs, other than the Super Senior Debt (as defined in the Term Sheet) and other obligations as may be preferred by provisions of law that are both mandatory and of general application. |
| **Interest Rate** | 5.00% p.a. payable in cash on a semi-annual basis accruing from the Original Issue Date. |
| **Redemption** | Same as the New Notes. |

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| **Collateral** | Same as the New Notes, *provided*, *however*, the AHG Work Fee Notes shall rank senior in right of payment and with respect to the proceeds from any enforcement against the Collateral to the New Notes, MCBs and all other future and present obligation of the Company that are *pari passu* with the New Notes and the MCBs. |
| **Enforcement Instructions** | Until the AHG Work Fee Notes have been repaid or redeemed in full, only the trustee of the AHG Work Fee Notes may instruct the New Collateral Agent to enforce on or against the Collateral upon the occurrence of an event of default that is continuing (and the enforcement rights of the respective trustees of the New Notes and the MCBs shall be suspended). |
| **Payment Subordination** | The Company shall not, and shall procure that no member of the Group shall, make any repayment, prepayment or redemption of the New Notes, the MCBs and any other *pari passu* indebtedness (whether principal, interest, premium or otherwise) until the AHG Work Fee Notes have been repaid and/or redeemed in full, other than any repayment, prepayment or redemption made in accordance with the New Notes Indentures and MCB Trust Deeds. |
| **Corporate Governance** | Same as the New Notes. |
| **Covenants** | Same as the New Notes. |
| **Events of Default** | Same as the New Notes. |
| **Amendments with Consent of Holders** | Amendment provisions will be similar to those in the June 2026 Notes (as defined in the RSA), save that amendments, modifications or waivers that would require the consent of holders of 100% in aggregate principal amount of the June 2026 Notes would only require the consent of the holders of not less than 75% in aggregate principal amount of the AHG Work Fee Notes then outstanding. |
| **Transfer Restrictions** | The AHG Work Fee Notes and the subsidiary guarantees thereon will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. |
| **Form, Denomination and Registration** | The AHG Work Fee Notes will be issued only in fully registered form and will be initially represented by one or more global certificates. The minimum denomination will be US$1.00, and the |

| | |
|---|---|
| | AHG Work Fee Notes will only be issued in integral multiples of US$1.00 in excess thereof. |
| **Clearing Systems** | Euroclear, Clearstream and/or such other clearing system as may be agreed in long form documentation between the Company and the Ad Hoc Group. |
| **New Trustee and New Collateral Agent** | The trustee and/or collateral agent for the AHG Work Fee Notes initially will be GLAS Agency (Hong Kong) Limited. |
| **Use of Proceeds** | The Company will not receive any cash proceeds from the issue of the AHG Work Fee Notes. |
| **Governing Law and Jurisdiction** | The documentation for the AHG Work Fee Notes shall be governed by New York law or other governing law as may be agreed by the Company and the Ad Hoc Group, and the security documents shall be governed by the relevant local law. |

## 8. DETAILS REGARDING THE COMPANY, OFFICERS, MATERIAL CONTRACTS AND ONGOING LEGAL PROCEEDINGS

### 8.1 The Company

(a) The Company is a company incorporated with limited liability under the laws of the Cayman Islands on 2 August 2007 with registration number 192502, the shares of which are listed on the Hong Kong Stock Exchange (stock code: 1638), registered as a non-Hong Kong company under part 16 of the Companies Ordinance with registration number F16221.

(b) The Company's registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(c) The Company's principal place of business in Hong Kong is at 30/F, The Center, 99 Queen's Road Central, Central, Hong Kong.

(d) The authorised representatives of the Company are Mr. MAI Fan and Ms. LUO Tingting.

(e) The Company's website address is http://www.kaisagroup.com.

(f) As at 31 December 2024, the Company has 7,015,468,487 ordinary shares each with a par value of HK$0.1, of which all shares have been issued and are fully paid up. The ultimate controlling shareholder of the Company is Chairman Kwok.

(g) The following table sets forth information regarding beneficial ownership of the Company's ordinary shares as at the date of this Listing Document, by (i) its directors and senior management and (ii) those persons known to the Company to beneficially own 5% or more of the Company's outstanding shares.

| Name of substantial shareholder | Capacity/Nature of Interests | Approximate percentage of interests in the Company |
|---|---|---|
| Da Chang Investment Company Limited ("**Da Chang**")[5] | Beneficial owner | 11.68% |
| Da Feng Investment Company Limited ("**Da Feng**")[6] | Beneficial owner | 13.83% |
| BEA Trustees[7] | Trustee | 13.83% |

[5] Da Chang is wholly owned by Mr. Kwok Ying Shing.
[6] Da Feng is wholly owned by Xingsheng Asia Limited, which is in turn wholly owned by Hongyi Asia Limited, which is in turn wholly owned by Junjia Enterprises Corporation. Junjia Enterprises Corporation is wholly owned by BEA Trustees. BEA Trustees is the trustee of 970,533,735 Shares under a family trust of which Mr. Kwok Ying Shing is the founder and a beneficiary of the trust.
[7] BEA Trustees is the trustee of 970,533,735 Shares under a family trust of which Mr. Kwok Ying Shing is the founder and a beneficiary of the trust.

| Name of substantial shareholder | Capacity/Nature of Interests | Approximate percentage of interests in the Company |
|---|---|---|
| Da Zheng Investment Company Limited | Beneficial owner | 13.73% |
| Funde Sino Life Insurance Co., Ltd. | Beneficial owner, Interest in a controlled corporation[8] | 21.92% |
| Fund Resources Investment Holding Group Company Limited | Beneficial owner | 12.66% |

8.2 **Structure of the Group**

The structure of the Group as at the date of this Listing Document is set out in the diagram at Appendix 3 (*Group Structure Chart*) to this Listing Document.

8.3 **Listing of the Existing Notes on the SGX-ST**

(a) The Existing Notes are currently listed on SGX-ST.

(b) Following the Restructuring Effective Date, and the cancellation and mark-down of the Existing Notes, the Company will announce the cancellation and mark down of the relevant Existing Notes. The SGX-ST will thereafter de-list the relevant Existing Notes.

8.4 **Directors and senior management of the Company**

(a) The Company's Board consists of seven executive directors and four independent non-executive directors.

(b) As of the date of this Listing Document, the Company's Board:

| Name | Position |
|---|---|
| Mr. Kwok Ying Shing | Chairman of the Board & Director |
| Mr. Mai Fan | Chief Executive Officer & Director |
| Mr. Li Haiming | Director |
| Mr. Kwok Hiu Kwan | Director |
| Ms. Luo Tingting | Chief Financial Officer & Director |

[8] Such Shares were held by Fund Resources Investment Holding Group Company Limited, which was wholly owned by Funde Sino Life Insurance Co., Ltd. as at 30 June 2024. By virtue of SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in Shares held by Fund Resources Investment Holding Group Company Limited.

| Name | Position |
|---|---|
| Mr. Song Wei | Director |
| Mr. Liu Lihao | Director |
| Mr. Rao Yong | Independent non-executive Director |
| Mr. Zhang Yizhao | Independent non-executive Director |
| Mr. Liu Xuesheng | Independent non-executive Director |
| Mr. Li Dapeng | Independent non-executive Director |

No recent changes to the Board of directors have taken place.

(c) The members of the senior management, who are responsible for the day-to-day business and financial operations of the Group, are as follows:

| Name | Position |
|---|---|
| CHEN Yankun | Senior Vice President |
| XIE Binhong | Senior Vice President and Chief Human Resources Officer |

8.5 **Directors' interests in the Group and the Restructuring**

(a) Pursuant to section 671(3)(b) of the Companies Ordinance, this Listing Document is required to state any material interests of the Directors, and whether as Directors or as members or as creditors of the Company or otherwise under the arrangement or compromises to be effected by the Kaisa Schemes.

(b) As at the date of this Listing Document, the following Directors and chief executive officers of the Company hold the following interests and long positions in the Company:

| Director | Nature of Interest | Approximate percentage of total issued share capital |
|---|---|---|
| KWOK Ying Shing | Family interest, interest in controlled corporation, and interest in trust | 25.54% |
| MAI Fan | Beneficial owner | 0.15% |
| SONG Wei | Beneficial owner | 0.12% |
| LIU Lihao | Beneficial owner | 0.06% |
| ZHANG Yizhao | Beneficial owner | 0.02% |

| Director | Nature of Interest | Approximate percentage of total issued share capital |
|---|---|---|
| LI Haiming | Beneficial owner | 0.10% |
| RAO Yong | Beneficial owner | 0.02% |
| LIU Xuesheng | Beneficial owner | 0.02% |

(c) As at the date of this Listing Document, the following Director of the Company holds the following interests and long positions in Kaisa Prosperity Holdings Limited (SEHK Stock Code: 2168), an associated corporation of the Company:

| Director | Nature of Interest | Approximate percentage of total issued share capital |
|---|---|---|
| KWOK Ying Shing | Interests in a controlled corporation | 0.17% |

(d) As at the date of this Listing Document, the following Director of the Company holds the following interests and long positions in Kaisa Health Group Holdings Limited (SEHK Stock Code: 0876), an associated corporation of the Company:

| Director | Nature of Interest | Approximate percentage of total issued share capital |
|---|---|---|
| KWOK Ying Shing | Interests in a controlled corporation and family interest | 6.15% |

(e) As at the date of this Listing Document, the following Director of the Company holds the following interests and long positions in Kaisa Capital Investment Holdings Limited (SEHK Stock Code: 0936), an associated corporation of the Company:

| Director | Nature of Interest | Approximate percentage of total issued share capital |
|---|---|---|
| KWOK Ying Shing | Family interest | 26.0% |

(f) Save for those disclosures made above, none of the Directors have any direct, indirect or non-beneficial interest in the Shares of the Company or in the shares of any of the Company's subsidiaries.

(g) Further, save as disclosed above in respect of Chairman Kwok, the Directors do not have any material interest (whether as a director, member, creditor or otherwise) in the Kaisa Schemes and Kaisa Schemes Consideration.

(h) The Kaisa Schemes contemplate a discharge of claims against the Company's Personnel, which includes claims against the Directors. However, the discharge is solely in connection with, and to give effect to, the Restructuring. Claims against Directors for breach of director's duties or malfeasance arising from or relating to actions, omissions or circumstances that are not under or in connection with the negotiation, preparation and/or consummation of the Schemes and/or the Restructuring are not released.

## 8.6 Material contracts

(a) As at the date of this Listing Document, the Group has entered into certain material contracts relating to the furtherance of the Restructuring, which are not contracts entered in the ordinary course of business, including without limitation:

(i) the RSA. The occurrence of the Restructuring Effective Date is an automatic termination event under the RSA; and

(ii) agreements with the onshore debt creditors in respect of the repayment timeline, where parties have agreed to various time extensions for repayment.

## 8.7 Legal proceedings

*Proceedings in Hong Kong*

(a) On 6 July 2023, Broad Peak Investment Advisers Pte. Ltd. ("**Original Petitioner**") presented a winding-up petition (the "**Petition**", as amended) in the High Court of Hong Kong (HCCW 295 of 2023) (the "**Hong Kong Proceedings**") against Kaisa in relation to the non-payment of certain RMB denominated corporate bonds issued by Kaisa Group (Shenzhen) Co., Ltd. The RMB denominated corporate bonds were guaranteed by Kaisa. The Original Petitioner agreed to a consensual dismissal of the Petition.

(b) On 8 March 2024, Citicorp International Limited acting as trustee (the "**Petitioner**") of 10.875% notes due 2023 issued by the Company in outstanding principal amount of US$750,000,000 and on the instruction of the Ad Hoc Group, was granted an order to be substituted as the petitioner in the Petition.

(c) The Company issued announcements in relation to the Hong Kong Proceedings on the SEHK website on 10 July 2023, 13 September 2023, 27 September 2023, 10 October 2023, 16 October 2023, 31 January 2024, 8 March 2024, 29 April

2024, 27 May 2024, 24 June 2024, 12 August 2024, 3 September 2024 and 28 March 2025.

(d) As at the date of this Listing Document, the hearing date of the Hong Kong Proceeding has been adjourned to 30 June 2025. By signing the RSA, the Ad Hoc Group has agreed to instruct the Petitioner to consent to any adjournment application made by the Company on the terms set out in the RSA, and upon the Restructuring Effective Date, to apply for the dismissal and/or withdrawal of the Petition or consent to the Company's application for such dismissal on terms set out in the RSA.

*Proceedings in New York*

(e) On 9 April 2024, Oasis Investments II Master Fund Ltd ("**Oasis**") commenced proceedings in the Supreme Court of the State of New York against the Company and Chang Ye Investment Company Limited, in respect of non-payment of principal and interest under four series of the Existing Notes. Oasis is the beneficial holder of certain of the Existing Notes. As at the date of this Listing Document, the proceedings brought by Oasis are ongoing. Such claims, and accordingly the proceedings, are subject to the Restructuring, and are expected to be subject to the Chapter 15 Order.

*Other legal proceedings onshore*

(f) As of 30 September 2024, there were a total of 63 ongoing litigation or arbitration proceedings onshore with claims against the Group where the amount in dispute is over RMB 100 million, including 12 arbitration awards against the Group amounting to approximately RMB 6.4 billion in total. As of 30 September 2024, the total claim amount of these 63 cases was approximately RMB 25.6 billion. Such claims relate to, amongst others: (i) overdue payments in relation to loans and other financing arrangements, (ii) overdue payments in relation to construction projects and supplier payments, (iii) disputes in relation to the properties sold by the Group, and (iv) joint development contractual disputes. The Group is in continuous effort to discuss with the claimants in these onshore proceedings and as of 30 November 2024, no enforcement action has been taken out against the Group.

Aside from the proceedings noted at Sections 8.7 above, to the best of the directors' knowledge and belief, as at 30 November 2024, no material litigation or arbitration proceedings have been commenced or threatened against any member of the Group.

## 9. RISK FACTORS

9.1 The following summarises some of the principal risks and uncertainties that may arise in connection with the Schemes. It should be read in conjunction with all of the other information contained in this Listing Document. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may become material and have a material adverse effect on the business, financial condition or results of operations of the Group. This Listing Document also contains forward-looking statements, which involve risks and uncertainties of their own. Actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors and circumstances, including the risks and uncertainties described in this Listing Document.

For ease of reference only, the risk factors set out below have been grouped into the following categories:

(a) risks relating to the implementation of the Kaisa Schemes, including with respect to certain conditions precedent before the Restructuring becomes effective;

(b) risks relating to a failure to implement or a delay in implementing the Kaisa Schemes;

(c) risks following the implementation of the Kaisa Schemes; and

(d) risks relating to the New Debt Instruments, the New Subsidiary Guarantees and the Collateral.

In addition, Scheme Creditors are liable for any taxes that may arise as a result of the relevant Scheme and the Restructuring, and shall have no recourse to the Company, the Subsidiary Obligors, the Existing Trustees, the New Trustees, the New Agents, the Information Agent, the Blocked Scheme Creditor Tabulation Agent, the Holding Period Trustee, the Advisers or any other person in respect of such taxes or any filing obligation with respect thereto.

### 9.2 Risks relating to the implementation of the Schemes

*The Kaisa Hong Kong Scheme, the Kaisa Cayman Scheme, the Rui Jing Hong Kong Scheme and the Rui Jing BVI Scheme are inter-conditional*

(a) The Kaisa Hong Kong Scheme and the Kaisa Cayman Scheme are effectively inter-conditional upon each other, in that the Restructuring Effective Date will only take place once (i) a sealed copy of the Kaisa Cayman Scheme Sanction Order has been filed with the Cayman Registrar of Companies for registration in respect of the Kaisa Cayman Scheme; or (ii) a sealed copy of the Kaisa Hong Kong Scheme Sanction Order has been filed with the Hong Kong Registrar of Companies in respect of the Kaisa Hong Kong Scheme, among other things.

(b) In addition, the Kaisa Schemes are effectively inter-conditional upon the Rui Jing Schemes. Therefore, the Restructuring Effective Date can only take place

if the Rui Jing Schemes Effective Date occurs and other conditions precedents are satisfied.

(c) As such, if any of the Rui Jing Schemes are not approved and sanctioned, the Restructuring Effective Date will not take place.

(d) Meanwhile, given that the Kaisa Schemes and the Rui Jing Schemes are effectively inter-conditional, any risks in relation to the Rui Jing Scheme would also affect the Kaisa Schemes.

*The implementation of the Schemes and the Restructuring may result in adverse and/or complex tax consequences to Scheme Creditors*

(e) The Company is not providing tax advice to any Scheme Creditor in connection with the Restructuring, and each Scheme Creditor should consult its own tax adviser regarding tax consequences of the Restructuring in any relevant jurisdiction.

*The Company has short-term funding needs to continue operations until the implementation of the Schemes and the Restructuring*

(f) As at 31 December 2024, the Group had RMB697.65 million in cash and bank balances. While Management believes that its cash position should suffice to continue operations until the implementation of the Schemes and the Restructuring, there may be unforeseen circumstances, including a delay in the implementation of the Schemes, which may cause the Company to require additional short-term funding. If the Company is unable to obtain, at favourable rates or at all, such additional short-term funding, it may be unable to implement the Schemes and the Restructuring.

9.3 **Risks relating to a failure to implement or a delay in implementing the Schemes**

*The Restructuring may not be completed in accordance with the timeline envisaged by this Listing Document*

(a) Factors unknown to the Company as at the date of this Listing Document may result in delays to the completion of the Restructuring. There is no guarantee that the Restructuring Effective Date will occur by the Earliest Longstop Date. Under the terms of the Schemes, the Longstop Dates are on 30 June 2025.

(b) Each of the longstop dates may be extended in accordance with the terms of the relevant Scheme, for instance, in order to grant extra time for the obtaining of necessary regulatory approval. Each of the Longstop Dates may be extended by the Majority Scheme Creditors.

(c) If any of the longstop dates are extended, it may lead to a delay in the occurrence of the Restructuring Effective Date and the distribution of the Scheme Consideration.

*Insolvency Proceedings may occur and/or resume if the Restructuring is not implemented promptly*

(d) The maturity date of the December 2021 Notes, the April 2022 Notes, the June 2022 Notes, the July 2022 Notes, the September 2022 Notes, the October 2022 Notes, the January 2023 Notes, the July 2023 Notes, the September 2023 Notes, the November 2023 Notes and the June 2024 Notes has passed and, therefore, the Company is currently obliged to repay the principal amount under each of the aforementioned Existing Notes.

(e) The non-payment of interest when due and payable of the Existing Notes means that the Company is presently in default under each of the aforementioned Existing Notes.

(f) The Company currently has limited available cash and, should the Restructuring not proceed, would be unable to repay its overdue indebtedness under and in connection with the In-Scope Debt. Therefore, there is a material risk that certain of the Scheme Creditors, as well as other onshore and offshore creditors of the Group, will pursue enforcement actions against the Group in respect of their outstanding obligations; this is especially the case given the prevailing conditions in the property industry and wider economic environment.

(g) Further, the Hong Kong Proceeding and New York Proceedings against the Company and the Group are ongoing and dependent on the Restructuring. Unless the Company is able to satisfy itself that an alternative financial restructuring is likely to be successful (which the Company considers very unlikely given the time and cost of negotiating the Restructuring), it is likely that the Company and other members of the Group will enter into liquidation or other Insolvency Proceedings referred to in Section 8.7(a).

(h) If the Company and other members of the Group are placed into Insolvency Proceedings, the proceeds available to Scheme Creditors will likely be reduced to a level that is considerably lower than the potential value of the consideration they would receive under the Schemes.

*The Schemes may not be recognised by the Chapter 15 Court*

(i) There can be no assurance that the Chapter 15 Court will recognise any of the Schemes or enter the Chapter 15 Order. If the Chapter 15 Court does not recognise any of the Schemes and does not enter the Chapter 15 Order, the terms and effect of such Schemes, including the discharge of the New York law-governed debt, may not be given effect or binding in the United States.

9.4 **Risks following the implementation of the Schemes**

*The New Debt Instruments received by Scheme Creditors as Scheme Consideration are subject to certain risks*

(a) There may be no market for the New Securities or any securities issued in exchange thereof. To the extent any such securities become tradable, the price and trading volume thereof may be highly volatile. Factors such as variations in

the Group's revenues, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to the Group's industry and general economic conditions nationally or internationally could cause the price of such securities to change. Any such developments may result in large and sudden changes in the trading volume and price of such securities. There can be no assurance that these developments will not occur in the future. Each Scheme Creditor should conduct its own due diligence and consider the appropriateness of the information in this Listing Document having regard to its own objectives, financial situation and needs. Scheme Creditors are also recommended to consult their own professional advisors as to legal, tax, financial or other aspects relevant to any action Scheme Creditors might take in relation to the Schemes and the Restructuring, or the implications/consequences of such action.

*Holders of the New Debt Instruments may be subject to PRC withholding taxes on interest derived by them from holding the New Debt Instruments*

(b) According to relevant PRC laws and regulations, if the PRC tax authorities consider the Company (1) to be a PRC tax resident enterprise, (2) to the extent such interest payments are deemed to be income sourced within the PRC, and (3) provided that there are no tax treaties between the PRC and those countries or regions which exempt or reduce such withholding tax, the Company is obligated to withhold PRC enterprise income tax ("**EIT**") of 10% on interest paid and other related amounts in the nature of interest on the New Debt Instruments to holders of the New Debt Instruments who are non-PRC resident enterprises, or PRC individual income tax ("**IIT**") at the rate of 20% on interest paid to non-PRC resident individual holders. In addition, such interest payments may be subject to PRC value-added tax ("**VAT**") at the rate of 6% and thus the Company is obliged to withhold and settle such VAT for and on behalf of the holders of the New Debt Instruments, who are not PRC tax residents..

*The Group's financial performance and business operations have been and may continue to be affected by adverse market conditions, and there is no guarantee that the Company may generate sufficient cash to honour its financial commitments under the Schemes or otherwise*

(c) Beginning in the second half of 2021 and continuing into 2024, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point characterised by a number of adverse developments, including the following:

(i) reduced bank lending for real estate development adversely affected access by property developers to onshore capital;

(ii) reduced bank lending for mortgage finance for buyers, combined with buyers' concerns towards the ability of property developers to complete projects, has adversely affected property sales;

(iii) tightened restrictions on the use of pre-sale proceeds under the applicable PRC law; and

(iv) more recently, a material decrease in aggregate contracted sales and a substantial reduction in prices for residential units across the sector.

(d) The negative news relating to certain Chinese property companies, including defaults on their indebtedness, have had a further negative impact on, and resulted in increased volatility in, the property sector in China. Such recent defaults make it difficult for Chinese property developers, management companies and potential property purchasers to obtain onshore and offshore financing, and has resulted in very low market confidence in and very low demand for Chinese real estate, in addition to increased market volatility.

(e) Reduced bank lending for real estate development, coupled with the adverse impact of the COVID-19 pandemic on macroeconomic conditions and certain negative credit events, has intensified market concerns over the operations of Chinese property developers. As a result, pre-sales of properties by Chinese developers have generally decreased. The Group has also experienced a noticeable decline in its aggregate contracted sales in recent months. Against the backdrop of the adverse market conditions, the Group has experienced liquidity pressures due to both its limited access to external capital to refinance its existing indebtedness and the reduction in cash generated from contracted sales.

(f) Since then, the Group has been actively engaging with its customers, suppliers, creditors and shareholders in stabilising its credit lines and day-to-day operations. It implemented further measures in reducing capital expenditure and other expenses such as management remuneration. The Group also commenced discussions with the Ad Hoc Group representing certain Scheme Creditors in exploring a consensual resolution for the existing defaults in certain In-Scope Debt.

(g) However, the Company cannot assure you that these efforts will be successful. Even if the Schemes are successful, the Group still has indebtedness in the PRC that is either in default or faces imminent risk of default. The Group's operations may continue to be affected by the decrease in sales and property price, suspension on construction work, restraints on obtaining new financing, ongoing and potential disputes with creditors, business partners, customers and others, volatility in the property sector and the capital markets and other factors. In particular, the viable financing alternatives available to the Group have been significantly impacted by unfavourable changes to lending and investment policies by financial institutions and capital markets investors. The Group's reduced cash generated from operations and its existing level of indebtedness and obligations may cause investors' and markets' to doubt its ability to continue operating as a going concern. The Group's ability to continue its operations, to realise the carrying value of its assets, and to discharge its liabilities in the normal course of business are dependent upon its ability to raise new capital sufficient to fund its commitments and on continuously generating profitable operations. As such, the value actually realised by the Scheme Creditors under the Schemes depends on the Company's ability to honour its financial commitments and obligations under the Schemes and such value may be adversely impacted should the Company fail to generate sufficient cash to honour its financial commitments and obligations under the Schemes. There is

no guarantee that the Company can generate sufficient cash to honour these commitments and obligations.

*There may be Out-of-Scope Debt in default after the implementation of the Schemes*

(h) Not all of the Group's debt will be compromised and discharged under the Schemes. As detailed in Section 5.2, as at the date of this Listing Document, the Group is still in discussions with creditors of certain Out-of-Scope Debt that will not be included in the Schemes. As of the date of this Listing Document, none of the holders or lenders of the Out-of-Scope Debt have expressed any objection to the Restructuring or the Schemes, and negotiations remain amicable and ongoing. No holders or lenders of the Out-of-Scope Debt have taken any aggressive enforcement action against the Company or the Group. However, there is no guarantee that the Company or Group will be able to successfully amend and/or extend all Out-of-Scope Debt currently in default, whether by the Restructuring Effective Date or thereafter. Should negotiations regarding the extension and/or amendment of Out-of-Scope Debt fail, the creditors may take legal and/or security enforcement action against the Company or relevant Group entity. If such action is taken, the likely consequence is that the Company will not have sufficient funds to immediately repay all of the Out-of-Scope Debt after the Restructuring and the Company may be placed into Insolvency Proceedings.

*The Schemes will not release claims against the primary obligor under certain In-Scope Debt and the creditors may make claims against such primary obligor*

(i) The liabilities for the primary obligor under the TFI Loan, the Flourish Notes, the Brilliant Bridge Notes, the [Redacted] Facility and the Ye Chang Notes will not be released by the Schemes. Therefore, after the Schemes become effective, the relevant creditors may still make claims against the relevant primary obligor. If such enforcement action is taken, the likely consequence is that the relevant primary obligor will not have sufficient funds to immediately repay all of such liabilities after the Restructuring and such primary obligor may be placed into insolvency proceedings, which may create ricochet and/or intercompany claims against the Company and/or the Group.

(j) However, such claims that are not released under the Schemes which may be give rise to corresponding ricochet and/or intercompany claims will be covered and released under under the Global Settlement Deed.

*The Group's operations are subject to China's and global economic and social condition and extensive governmental policies and regulations in the PRC*

(k) Substantially all of the Group's business and operations are conducted in the PRC. Accordingly, the Group's business, financial condition, results of operations and prospects are, to a significant degree, subject to economic, political and social developments in the PRC.

(l) The economy of the PRC differs from the economies of most developed countries in many respects, including but not limited to structure, level of government involvement, level of development, growth rate, control of foreign

exchange and allocation of resources. The PRC economy has grown significantly in recent decades, but there can be no assurance that this growth will continue or continue at the same pace.

(m) In addition, the outlook for the world economy and financial markets remains uncertain. Any outbreak of epidemics or pandemics on a global scale may continue to affect investment sentiment and result in sporadic volatility in global capital markets and adversely affect China and other economies. For example, the COVID-19 outbreak resulted in restrictions on travel and public transportation and prolonged closures of workplaces, which has had a material adverse effect on the global economy. Any recurrence of COVID-19 or an outbreak of any other epidemics or pandemics may result in the return of containment measures on different scales, which may materially and adversely affect the manufacturing, export, import and consumption of goods globally, in turn possibly leading to slowdown in the global economy. In addition, there is no assurance that the containment measures will be effective in halting the epidemics or pandemics, the adverse effect caused by the epidemics or pandemics or the containment measures may be further worsened if the epidemics or pandemics continue for a long period of time. Particularly, recurrence of COVID-19 or an outbreak of any other epidemics or pandemics, especially in cities where the Group has operations, and the containment measures in response to such epidemics or pandemics, may result in material disruptions to the Group's property development and sales and the operation of commercial properties.

(n) Geo-political conflicts have also negatively impacted on the global economy. For example, the recent conflict between Russia and Ukraine is still evolving and the impact of such geo-political conflicts on the global economy is still unclear. China's economic condition, and the property sector in the PRC and hence the Group's business, results of operations, financial condition and prospects may be materially and adversely affected by such geo-political conflicts and changes in the global macro-economic environment.

(o) In addition, demand for the Group's services and its business, financial position and results of operations may be adversely affected by: (i) changes in laws, regulations or policies or the interpretation of laws, regulations or policies and social conditions in the PRC; (ii) measures which may be introduced to control inflation or deflation; (iii) changes in the rate or method of taxation; and (iv) imposition of additional restrictions on currency conversion and remittances abroad.

(p) There can be no assurance that there will not be any new regulatory measures or initiatives that limit the Group's access to capital and methods it uses to finance its development projects, or that it will be able to secure adequate financing or renew its existing credit facilities prior to their expiration on commercial reasonable terms, or at all and if that happens, its business, financial condition, results of operation and prospects could be materially adversely affected.

(q) Moreover, sustainable growth and success of the Group's business significantly depend on its ability to continue acquiring additional land reserves in desirable

locations at commercially reasonable prices that are suitable for the residential and commercial development. Its ability to acquire land depends on a variety of factors, some of which are beyond its control, such as overall economic conditions, availability of land parcels provided by the PRC government and competition for land parcels which are suitable for development. Any increase in its land cost resulting from any reason, such as shortages of supply or the Group's inability to acquire suitable land parcels at commercially acceptable prices, could have a material and adverse effect on the Group's business, financial condition, result of operations and prospects. Even if the Schemes are successful, in the foreseeable future, it may be difficult for the Group to acquire additional land reserves due to many factors affecting the Group's operation results and financial performance, including the decrease in sales and property price, suspension on construction work, restraints on obtaining new financing, ongoing and potential disputes with creditors, business partners, customers and others, volatility in the property sector and the capital markets and other factors.

*The Group is involved from time to time in disputes and administrative, legal and other proceedings arising out of its operations and may face significant liabilities as a result*

(r) The Group is involved in disputes with various parties arising out of its operations, including but not limited to its customers, suppliers and creditors. These disputes may lead to legal or other proceedings and may result in damage to the Group's reputation, the incurrence of substantial costs and the diversion of resources and management's attention.

(s) The Group has received, and may continue to receive, claims from its customers, suppliers and/or creditors and enforcement actions from its creditors in respect of its financial and other obligations. As a result of these events, the Group may be involved in more disputes with various parties such as its customers, suppliers and creditors. Although the Group has been actively engaging with its customers, suppliers, creditors and shareholders in stabilising its credit lines and day-to-day operations, there is no assurance that the Group will not be subject to any additional disputes and administrative, legal and other proceedings arising out of its operations, that the Group will successfully resolve such disputes and proceedings to its satisfaction, or that any judgment or ruling in respect of such disputes and proceedings would be in favour of the Group.

(t) Although the Group strives to maintain proper internal control, there is no assurance that its internal control measures will be effective and there will not be any non-compliance incidents in the future. The Group has been involved in certain investigations into its internal control and may be involved in such potential investigations by regulatory bodies in the PRC, Hong Kong and other applicable jurisdictions in the future. Such investigations may result in fines, financial and business losses, reputational damages and other material adverse effect on the Group's business operation and financial performance.

(u) The Group cannot assure you that it has been, or will be, in strict compliance with all applicable laws and regulations. In addition, PRC laws, rules or regulations governing the real estate industry have been evolving rapidly, and there can be no assurance that the Group will not be subject to fines or penalties arising from non-compliance incidents if it fails to adapt to the new regulatory

regime in a timely manner, or at all, which may have a material adverse effect on its business, financial condition and results of operations.

9.5 **Risks relating to the New Debt Instruments, the New Subsidiary Guarantees and the Collateral**

*The Company is a holding company and payments with respect to the New Debt Instruments are structurally subordinated to liabilities, contingent liabilities and obligations of the Company's subsidiaries which are not providing guarantees under the New Debt Instruments*

(a) The Company is a holding company with operations primarily through its subsidiaries. The New Debt Instruments will not be guaranteed by any current or future PRC subsidiaries or certain other non-guarantor subsidiaries. The Company's primary assets are ownership interests in certain non-guarantor subsidiaries, which are held through the Subsidiary Guarantors.

(b) Accordingly, the Company's ability to pay principal and interest on the New Debt Instruments and the ability of the Subsidiary Guarantors to satisfy their obligations under the New Subsidiary Guarantees will depend upon their receipt of principal and interest payments on the intercompany loans and distributions of dividends from the Company's subsidiaries, including the PRC subsidiaries. If the Company or the Subsidiary Guarantors experience difficulties in receiving funds from the PRC subsidiaries, due to regulatory or other reasons, the Company may in turn experience difficulties in servicing its offshore debt, including but not limited to the New Debt Instruments.

(c) Creditors, including trade creditors of the non-guarantor subsidiaries and any holders of preferred shares in such entities, would have a claim on such subsidiaries' assets that would rank in priority to the claims of holders of the New Debt Instruments. As a result, the Company's payment obligations under the New Debt Instruments will be effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of the non-guarantor subsidiaries will have priority as to the assets of such entities over the Company's claims and those of the Company's creditors, including holders of the New Debt Instruments. The New Debt Instruments and related documents permit the Company, the Subsidiary Guarantors and the non-guarantor subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. In addition, the Company's secured creditors or those of any Subsidiary Guarantors would have priority as to the Group's assets or the assets of such Subsidiary Guarantors securing the related obligations over claims of holders of the New Debt Instruments.

*The Group has substantial indebtedness and may incur substantial additional indebtedness in the future, which could adversely affect the Group's financial health and there is no guarantee that the Group can generate sufficient cash to satisfy the outstanding and future debt obligations under the New Debt Instruments*

(d) The Group now has incurred, and may continue to incur after the Restructuring, a substantial amount of indebtedness. As at 31 December 2024, the Group had borrowings of RMB135,073.56 million. The Group's substantial indebtedness

could have important consequences to a holder of the New Debt Instruments. For example, it could:

(i) limit the Company's ability to satisfy its obligations under the New Debt Instruments and other debt;

(ii) increase its vulnerability to adverse general economic and industry conditions;

(iii) require it to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and for other general corporate purposes;

(iv) limit its flexibility in planning for or reacting to changes in its businesses and the industry in which it operates;

(v) limit, along with the financial and other restrictive covenants of its indebtedness, its ability to borrow additional funds; and

(vi) increase the cost of additional financing.

(e) The Group may from time to time incur additional indebtedness and contingent liabilities. Although the New Finance Documents restrict the Company and the Restricted Subsidiaries from incurring additional debt and contingent liabilities, these restrictions are subject to important exceptions and qualifications. If the Group incurs additional debt, the risks that it faces as a result of its existing indebtedness and leverage could intensify.

(f) In addition, the terms of the New Finance Documents prohibit the Company and the Restricted Subsidiaries from incurring additional indebtedness unless they are able to meet certain applicable restrictions. Their ability to meet such applicable restrictions may be affected by events beyond their control. Such restrictions in the New Debt Instruments and the other financing arrangements may impair the Group's ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, obtain future financing, fund required capital expenditures or withstand a continuing or future downturn in its business. Any of these factors could materially and adversely affect the Company's ability to satisfy its obligations under the New Debt Instruments and other debt.

*Issuance of the New Debt Instruments is subject to approvals from the PRC regulators*

(g) The issuance of the New Debt Instruments by the Company is subject to approvals and filings from various PRC regulators, including without limitation, the approval of NDRC and the filing with CSRC. As of the date of this Listing Document, the Group is still pending approval from NDRC (which will be subject to the obtaining of the Schemes Sanction Orders) and completing the other necessary filings for the issuance of the New Securities from the PRC regulators. There is no assurance that the Company will be able to obtain such approvals or completing such filings or that it will be able to do so in a timely

manner, and as a result, the issuance of the New Debt Instruments may be delayed or may not occur.

*Servicing the Group's indebtedness will require a significant amount of cash and its ability to generate cash depends on many factors beyond its control*

(h) The Group's ability to make payments on and to refinance its indebtedness, including these New Debt Instruments, and to fund planned capital expenditures and project development will depend on its ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control.

(i) The Group's business may not generate cash flow from operations in an amount sufficient to enable it to pay its indebtedness, including the New Debt Instruments, or to fund its other liquidity needs. The Group's operation, financial performance and ability to service its indebtedness may continue to be affected by the decrease in sales and property price, suspension on construction work, restraints on obtaining new financing, ongoing and potential disputes with creditors, business partners, customers and others, volatility in the property sector and the capital markets and other factors. The Group may need to refinance all or a portion of its indebtedness (some of which matures prior to the New Debt Instruments), including the New Debt Instruments, on or before maturity. The Group may not be able to refinance any of its indebtedness on commercially reasonable terms or at all.

(j) If the Company or a Restricted Subsidiary is unable to comply with the terms of the New Finance Documents or its existing or future debt obligations and other agreements, there could be a default under those agreements. If that occurs, the holders of the debt could accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the New Finance Documents contain, and the Group's future debt agreements are likely to contain, cross-acceleration and cross-default provisions. As a result, the default of the Company or any of the Restricted Subsidiaries under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the New Debt Instruments, or result in a default under the Group's other debt agreements, including the New Finance Documents. If any of these events occur, the Group's assets and cash flow may not be sufficient to repay in full all of its indebtedness that has been accelerated and it may not be able to find alternative financing to repay such indebtedness on commercially reasonable terms or at all.

*The Group's operations are restricted by the terms of the New Debt Instruments, which could limit its ability to plan for or to react to market conditions or meet its capital needs, which could increase the credit risk of a holder of the New Debt Instruments*

(k) The New Finance Documents include a number of significant restrictive covenants. Such covenants could limit the Group's ability to plan for or react to market conditions or to meet its capital needs. The Group's ability to comply with these covenants may be affected by events beyond its control, and it may have to curtail some of its operations and growth plans to maintain compliance.

*Certain material terms of the New Notes Indentures may be modified, amended or waived with the consent of holders of not less than 75% in aggregate principal amount of the outstanding New Notes, which may adversely affect the interest of the holders of the New Notes and increase the credit risks of the New Notes*

(l) Under the New Notes Indentures, certain major terms may be amended with the consent of holders of 75% in aggregate principal amount of the outstanding New Notes, including but not limited to the waiver of payment defaults, the reduction of the principal amount of, or premium (if any) on or interest on, any New Note, the release of any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in the New Notes Indentures. Such provisions would reduce the protection afforded to the holders of the New Notes and potentially increase the credits risks of the New Notes.

*The Group may not be able to complete Specified Offshore Asset Distribution at desired prices, at expected times, or at all, in which case the Company may not be able to benefit from the Cash Sweeps prior to maturity*

(m) The Company is obligated to apply, or procure the application of proceeds from Specified Offshore Asset Distribution to pay and/or redeem outstanding AHG Work Fee Notes at par, set aside a portion of such proceeds to be applied towards payment of outstanding New Notes, or redeem and/or repurchase outstanding New Notes and/or Mandatory Convertible Bonds in accordance with the terms in the New Finance Documents or for certain other purposes in accordance with the terms of the New Finance Documents. However, the Company may not be able to consummate any Specified Offshore Asset Distribution at commercially reasonable terms, or at all. Even if the Company completes any Specified Offshore Asset Distribution, there may not be any Net Cash Proceeds (as defined in the New Notes Indentures). Even if there are Net Cash Proceeds, the Company may not be able to hold such proceeds in an onshore custodian account that is not subject to freezing orders or other PRC government intervention and/or it may not be able to remit such proceeds to offshore designated accounts as the minimum threshold to trigger the cash sweep may be met or due to regulatory or other reasons out of the Company's control. If any such event occurs, the Company may not be able to pay and/or redeem outstanding AHG Work Fee Notes, set aside a portion of such proceeds to be applied towards payment of outstanding New Notes, nor redeem and/or repurchase outstanding New Notes and/or Mandatory Convertible Bonds at desirable amounts or at all.

*The New Subsidiary Guarantees are unsecured obligations*

(n) The New Subsidiary Guarantees are unsecured obligations of the Subsidiary Guarantors. Payments under the New Subsidiary Guarantees may be adversely affected if:

- the Company, the Subsidiary Guarantors, or a third party to which the Group has provided a guarantee enters into bankruptcy, liquidation, reorganisation or other winding-up proceedings;

- there is a default in payment under the Company's or the Subsidiary Guarantors' future secured indebtedness, in particular, shares of the Subsidiary Guarantors' subsidiaries which the Group has pledged as collateral for certain of its loan agreements or other unsecured indebtedness; or

- there is an acceleration of the indebtedness of the Company, the Subsidiary Guarantors or a third party to which the Group has provided a guarantee.

(o) If any of these events were to occur, the Company's or the Subsidiary Guarantors' assets may not be sufficient to pay amounts due on the New Debt Instruments.

*The obligations of the Subsidiary Guarantors under the New Subsidiary Guarantees are structurally subordinated to the liabilities and obligations of their respective subsidiaries*

(p) The obligations of the Subsidiary Guarantors under the New Subsidiary Guarantees will be effectively subordinated to all existing and future obligations of its existing or future subsidiaries, and all claims of creditors of existing or future subsidiaries and rights of holders of preferred shares of such subsidiaries (if any) will have priority as to the assets of such subsidiaries over the claims of the Subsidiary Guarantors and those of the Subsidiary Guarantors' creditors, including the holders of the New Debt Instruments. As a result, all of the existing and future liabilities of the Subsidiary Guarantors' subsidiaries, including any claims of trade creditors and preferred stockholders (if any) of such subsidiaries, will be effectively senior to the New Debt Instruments and the New Subsidiary Guarantees. In addition, even if a Subsidiary Guarantor were a creditor of any subsidiary, its rights as a creditor would be subordinated to any security interest in the assets of such subsidiary and any indebtedness of the subsidiary senior to that held by the Subsidiary Guarantor.

*If the Company or the Subsidiary Guarantors are unable to comply with the restrictions and covenants in their respective debt agreements (if any) or the New Debt Instruments there could be a default under the terms of these agreements or the New Debt Instruments that could cause repayment of the Company or the Subsidiary Guarantors' debt to be accelerated, which the Company and the Subsidiary Guarantors may not have sufficient funds to repay*

(q) If the Company or the Subsidiary Guarantors are unable to comply with the restrictions and covenants in the New Debt Instruments or their current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Company or the Subsidiary Guarantors, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, those debt agreements may contain cross-acceleration or cross-default provisions. As a result, default by the Subsidiary Guarantors under one debt agreement may cause the acceleration of repayment of debt or result in a default under its other debt agreements, including the New

Debt Instruments. If any of these events occur, there can be no assurance that there would be sufficient assets and cash flows to repay in full all of the Company's or the Subsidiary Guarantors' indebtedness, or that the Company or the Subsidiary Guarantors would be able to find alternative financing. Even if the Company or the Subsidiary Guarantors could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Company or the Subsidiary Guarantors.

*The events of default provisions under the New Debt Instruments (including cross default provisions amongst the New Debt Instruments) will contain carve outs as more specifically set out in the terms and conditions of the New Debt Instruments*

(r) The events of default provisions under the New Debt Instruments will contain carve outs as more specifically set out in the Terms and Conditions of the New Debt Instruments. If an event, which would otherwise constitute an event of default but for such carve outs, occurs, no event of default shall be deemed to have occurred and the holders of the New Debt Instruments would not have any right to accelerate and/or enforce under the New Debt Instruments.

*The New Trustees may request holders of the New Securities to provide an indemnity and/or security and/or prefunding to its satisfaction*

(s) In certain circumstances, the New Trustees may, at their sole discretion, request holders of any of the New Securities (as applicable) to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of holders of the New Securities. The New Trustees shall not be obliged to take any such actions if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The New Trustees may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the New Finance Documents, and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the holders of such New Securities to take such actions directly.

*The MCBs may be redeemed at the Company's option or upon the occurrence of certain events*

(t) The MCBs are redeemable at the option of the Company or upon the occurrence of certain events. The date on which the Company elects to redeem the MCBs may not accord with the preference of individual holders. This may be disadvantageous to the holders of the MCBs in light of market conditions or the individual circumstances of such holders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the MCBs.

*The Company may not be able to redeem the New Debt Instruments*

(u) Upon the occurrence of a Change of Control Triggering Event (as defined in the Terms and Conditions of the New Finance Documents), the holder of the New

Debt Instruments will have the right to require the Company to redeem the New Debt Instruments. If such an event were to occur, the Company may not have sufficient cash in hand and may not be able to arrange financing to redeem the New Debt Instruments in time, or on acceptable terms, or at all. The ability to redeem the New Debt Instruments in such event may also be limited by the terms of other debt instruments. The Company's failure to repay, repurchase or redeem tendered bonds could constitute an event of default under the New Debt Instruments which may also constitute a default under the terms of the Company's or the Subsidiary Guarantors' other indebtedness.

*The New Securities will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies*

(v) The New Securities will initially only be issued in global form and held through Euroclear and Clearstream. Interests in the New Securities represented by the New Global Certificates will trade in book-entry form only, and bonds in definitive registered form, or definitive registered bonds, will be issued in exchange for book entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or holders of the New Securities. The nominee of the common depositary for Euroclear and Clearstream will be the sole registered holder of the New Global Certificates representing the New Securities. Payments of principal, interest, distribution and other amounts, as applicable, owing on or in respect of the New Global Certificates representing the New Securities will be made to the relevant paying agent, which will make payments to Euroclear and Clearstream. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the New Global Certificates representing the New Securities and credited by such participants to indirect participants. After payment to the relevant paying agent, the Group will have no responsibility or liability for the payment of principal, interest, distribution or other amounts, as applicable, to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear and Clearstream or, if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of holders of the New Securities under the New Finance Documents.

(w) Unlike the holders of the New Securities themselves, owners of book-entry interests will not have a direct right to act upon the Group's solicitations for consents, requests for waivers or other actions from holders of the New Securities. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

(x) The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the New Securities.

*The liquidity and price of the New Securities following their offering may be volatile*

(y) The price and trading volume of the New Securities may be highly volatile. Factors such as variations in the Company's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the New Securities to change. Any such developments may result in large and sudden changes in the volume and price at which the New Securities will trade. There can be no assurance that these developments will not occur in the future.

*The Transfer of the New Securities may be restricted, which may adversely affect their liquidity and the price at which they may be sold*

(z) The New Securities which are represented by the New Global Certificates will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing System. Any transfer of the New Securities would also be subject to restrictions under the Terms and Conditions of the New Securities, for example, no transfer can be effected during the relevant closed periods.

(aa) No public market currently exists for the New Securities. There is no current intention to list the New Securities other than on the SGX-ST. If any of the New Securities are traded after the initial issue, they may trade at a discount or premium from their initial offering price, depending on prevailing interest rates, the market for similar instruments and other factors, including general economic conditions and our financial condition, performance and prospects. No assurance can be given as to the future price level of the New Securities after their initial issue.

(bb) The New Securities and the New Subsidiary Guarantees will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act ("**Regulation S**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Securities will be offered and sold only (i) in offshore transactions outside the U.S. in reliance on Regulation S or (ii) pursuant to another exemption.

*Changes in market interest rates may adversely affect the value of the New Securities*

(cc) The New Securities will each carry different interest rates. Consequently, the trading price of the New Securities will vary with the fluctuations in the US dollar interest rates. If a holder of the New Securities tries to sell such Bonds before their maturity, he may receive an offer that is less than his investment.

*Developments in other markets may adversely affect the market price of the New Securities*

(dd) The market price of the New Securities may be adversely affected by declines in the international financial markets and world economic conditions. The market for the New Securities is, to varying degrees, influenced by economic

and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including China. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the New Securities could be adversely affected.

*A trading market for the New Securities may not develop and a few investors may purchase a majority of the aggregate principal amount of the New Securities offered*

(ee) The New Securities are a new issue of securities for which there is currently no trading market. There can be no assurance that an active trading market will develop. If such a market were to develop, the New Securities could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. In addition, the New Securities may be allocated to a limited number of investors, in which case liquidity of the New Securities may be limited. Furthermore, holders of a significant percentage of the aggregate principal amount of the New Securities will have certain rights under the relevant New Finance Documents and the New Securities. Accordingly, if a few investors purchase a significant percentage of the New Securities, even if less than a majority, they will be able to exercise such rights on behalf of all holders of the New Securities and significantly influence the outcome of the voting on matters related to the New Securities.

*The Company may issue additional New Securities in the future*

(ff) The Company may, from time to time, and without prior consultation of the holders of the New Securities, create and issue further New Securities or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the New Securities. However, the New Notes Indentures prohibit the issuance of further New Securities under their terms, subject to limitations on incurrence of the Super Senior Debt as set forth in the RSA.

*Cross default or final judgments or orders in connection with event or circumstance existing as of the Original Issue Date will not be an Event of Default under the New Finance Documents.*

(gg) Certain of the New Finance Documents will provide that the Event of Default triggered by cross default, final judgments or orders, involuntary or voluntary cases, other proceedings or orders under any applicable bankruptcy, insolvency or other similar law, consents to the appointment of or taking possession by a receiver, liquidator or similar official or general assignment for the benefit of creditors shall not apply to any cross default, final judgments or orders, involuntary or voluntary cases, other proceedings or orders under any applicable bankruptcy, insolvency or other similar law, consents to the appointment of or taking possession by a receiver, liquidator or similar official or general assignment for the benefit of creditors arising or resulting from or related to any

event or circumstance existing as of the Original Issue Date. Please refer to the events of defaults provisions of Section 7 (*Summary of Terms of the New Debt Instruments*) of this Listing Document for further details.

*Gains on the transfer of the New Debt Instruments may be subject to income tax under PRC tax laws*

(hh) Under the EIT Law and its implementation rules, any gains realised on the transfer of the New Debt Instruments by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as incomes derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. Under the IIT Law and its implementation rules, any gains realised on the transfer of the New Debt Instruments by holders who are deemed under the IIT Law as non-resident individuals may be subject to PRC individual income tax if such gains are regarded as incomes derived from sources within the PRC. Under the IIT Law, "a non-resident individual" means an individual who neither is domiciled in China nor stays in China or who is not domiciled in China but has stayed in the aggregate for less than 183 days of a tax year in China. If such gains are subject to PRC income tax, the 10% enterprise income tax rate and 20% individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the New Debt Instruments minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income.

*The insolvency laws of the Cayman Islands, the British Virgin Islands and Hong Kong and other local insolvency laws may differ from those of another jurisdiction with which the holders of the New Debt Instruments are familiar*

(ii) As the Company and the Subsidiary Guarantors are incorporated under the laws of the Cayman Islands, the British Virgin Islands and Hong Kong, any Insolvency Proceedings relating to the Company or the Subsidiary Guarantors would likely involve the insolvency laws of the Cayman Islands, the British Virgin Islands or Hong Kong, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the New Debt Instruments are familiar.

*Exchange rate risks and exchange controls may result in a holder of the New Debt Instruments receiving less interest or principal than expected*

(jj) The Company will pay principal and interest on the New Debt Instruments in US dollars. This presents certain risks relating to currency conversions if the financial activities of a holder of the New Debt Instruments are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than US dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the US dollar or revaluation of

the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the US dollar would decrease (i) the Investor's Currency equivalent yield on the New Debt Instruments; (ii) the Investor's Currency equivalent value of the principal payable on the New Debt Instruments; and (iii) the Investor's Currency equivalent market value of the New Debt Instruments.

(kk) Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a holder of the New Debt Instruments may receive less interest or principal than expected, or no interest or principal.

*Decisions that may be made on behalf of all holders of the New Debt Instruments may be adverse to the interests of individual holders of the New Debt Instruments*

(ll) The Terms and Conditions of the New Debt Instruments contain provisions for calling meetings of holders of the New Debt Instruments to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the New Debt Instruments including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the New Debt Instruments may be adverse to the interests of the individuals.

*Conversion in respect of the Mandatory Convertible Bonds and risk of fluctuation in the value of the Company's shares*

(mm) In respect of Mandatory Convertible Bonds, holders may convert their Mandatory Convertible Bonds pursuant to the Mandatory Conversion (as defined in the terms and conditions of the Mandatory Convertible Bonds), but such conversion is subject to the restrictions and procedural requirements under the terms and conditions of the Mandatory Convertible Bonds. The Mandatory Convertible Bonds will not be redeemed for cash on their maturity date but will be mandatorily convertible into new Shares subject to the terms and conditions of the Mandatory Convertible Bonds.

(nn) At the time the Mandatory Convertible Bonds are issued to the relevant Scheme Creditors on the Restructuring Effective Date, the price of the Company's shares upon conversion of the Mandatory Convertible Bonds will not be ascertainable. Holders of the Mandatory Convertible Bonds will therefore each bear the risk of fluctuation in the value of the Company's shares. In addition, the value of the Company's shares to be delivered upon conversion may vary substantially between the date on which the relevant holder exercises its conversion right and the date on which such shares are delivered.

*If a Mandatory Conversion Reply Form is not delivered by a holder of the Mandatory Convertible Bonds, the Company shall cause the sale of the shares underlying the Mandatory Convertible Bonds but the Company shall be under no obligation to obtain the best price in the sale of such shares*

(oo) In order to obtain delivery of the relevant conversion shares, the relevant holder of the Mandatory Convertible Bonds must deliver a duly completed Mandatory Conversion Reply Form in accordance with the terms and conditions of the Mandatory Convertible Bonds. If a duly completed Mandatory Conversion Reply Form is not so delivered, the relevant conversion shares will be issued and/or transferred and delivered to a person selected by the Company (acting reasonably). Upon issue of the relevant conversion shares to or to the order of such person, the holders shall have no further rights to delivery of shares and their entitlement shall instead be to the net proceeds of sale of the relevant shares. The Company shall procure that all of such shares shall be sold by or on behalf of such person as soon as practicable, and the net proceeds of sale shall be paid to the trustee to be held on trust and distributed to the relevant holders, but the Company shall be under no obligation to obtain the best price in the sale of such shares.

*Conversion of the Mandatory Convertible Bonds may dilute the ownership interest of existing shareholders and could also adversely affect the market price of the Company's shares*

(pp) The conversion of some or all of the Mandatory Convertible Bonds may dilute the ownership interests of existing shareholders of the Company. Any sales in the public market of the Company's shares issuable upon such conversion could adversely affect prevailing market prices for the Company's shares. In addition, the conversion of the Mandatory Convertible Bonds might encourage short selling of the Company's shares by market participants.

*Holders of the Mandatory Convertible Bonds are not entitled to rights with respect to the Company's shares, but are subject to changes made with respect to the Company's shares*

(qq) Holders of the Mandatory Convertible Bonds are not entitled to any rights with respect to the Company's shares (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Company's shares) prior to the time when the Mandatory Convertible Bonds are converted into the Company's shares and are themselves registered as holders thereof. However, such bondholders are subject to all changes affecting the Company's shares. For example, in the event that an amendment is proposed to the Company's articles requiring shareholder approval, and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the date of conversion of the Mandatory Convertible Bonds for such shares and (as applicable) the date of registration by the relevant bondholder as the holder thereof, that bondholder would not be entitled to vote on the amendment but would nevertheless be subject to any resulting changes in the powers, preferences or special rights that affect the Company's shares after conversion.

*Holders of Mandatory Convertible Bonds have limited anti-dilution protection*

(rr) The conversion price as defined in the terms and conditions of the Mandatory Convertible Bonds will be adjusted on the occurrence of certain events, including a subdivision, consolidation or reclassification of shares, rights issue

of shares or options over shares below current market price, capital distributions, issue of shares below current market price or other events as specified in the terms and conditions of the Mandatory Convertible Bonds. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Company's shares. Events in respect of which no adjustment is made may adversely affect the value of the Company's shares and, therefore, adversely affect the value of the Mandatory Convertible Bonds.

*Certain of the initial Subsidiary Guarantors of the New Notes (as defined in the New Notes Indenture) do not have significant operations. The Company cannot assure you that the initial Subsidiary Guarantors of the New Notes or any subsidiaries that may become Subsidiary Guarantors of the New Notes in the future will have the funds necessary to satisfy the Company's financial obligations under the New Notes if the Company is unable to do so*

(ss) The New Subsidiary Guarantees may be challenged under applicable financial assistance, insolvency, corporate benefit or fraudulent transfer or unfair preference laws, which could impair the enforceability of the New Subsidiary Guarantees.

(tt) Under bankruptcy laws, insolvency laws, fraudulent transfer laws, corporate benefit, financial assistance, insolvency or unfair preference or similar laws in the British Virgin Islands, Hong Kong, or other jurisdictions where future Subsidiary Guarantors of the New Notes may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that New Subsidiary Guarantor if, among other things, the New Subsidiary Guarantor, at the time it incurred the indebtedness evidenced by, or when it gives its guarantee:

(i) incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the Subsidiary Guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the Subsidiary Guarantee not been given;

(ii) received less than the reasonably equivalent value or fair consideration for the incurrence of such Subsidiary Guarantee and/or there was otherwise an absence of or insufficient corporate benefit under applicable laws;

(iii) was insolvent or rendered insolvent by reason of such incurrence;

(iv) was engaged in a business or transaction for which the New Subsidiary Guarantor's remaining assets constituted unreasonably small capital; or

(v) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

(uu) The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. A New Subsidiary

Guarantor would commonly be considered insolvent at a particular time if it is unable to pay its debts as they fall due.

(vv) If a Subsidiary Guarantee is voided or is subordinated to other indebtedness of the New Subsidiary Guarantor, or held unenforceable for any other reason, holders of the New Notes would, among other things, cease to have a claim against that New Subsidiary Guarantor based upon such guarantee or would be subject to the prior payment of all liabilities (including trade payables) and any preferred stock of such New Subsidiary Guarantor and would solely be creditors of the Company and any remaining Subsidiary Guarantors of the New Notes. The Company cannot assure you that, after the voiding or subordination of any Subsidiary Guarantee, the Company and any remaining New Subsidiary Guarantees will be able to satisfy the claims of holders of the New Notes in full.

*The Collateral may be released*

(ww) The Collateral will consist only of the security over the Shareholder Loan (subject to the Sponsors' ability to set off payments for any Designated Rights Issue as set out in the Term Sheet), the security over the Offshore Allocation Account (as defined in the RSA), the security over the Designated Onshore Account (as defined in the RSA) (on a best effort basis and subject to receipt of all relevant regulatory, judicial and/or governmental approvals as required to create valid security and any other conditions), and the security over the shares of: (i) Ambitious Power Developments Limited; (ii) Kaisa Overseas Group Limited; (iii) Sino Superior Holdings Limited; and (iv) each of the Subsidiary Guarantors (as defined in the RSA). The security interest in respect of certain Collateral may be released upon the disposition of such Collateral in compliance with the covenants under the New Finance Documents.

*The value of the Collateral is unlikely to be sufficient to satisfy the Group's obligations under the New Debt Instruments and/or the New Subsidiary Guarantees*

(xx) The ability of the New Collateral Agent, on behalf of the New Trustee, to foreclose on the Collateral upon the occurrence of an Event of Default or otherwise, will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, the Group cannot assure you that the New Collateral Agent, the New Trustee or holders of the New Debt Instruments will be able to enforce the security interest.

(yy) The value of the Collateral in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the Collateral have been prepared by or on behalf of the Company in connection with the New Debt Instruments. Accordingly, the Company cannot assure you that the proceeds of any sale of the Collateral following an acceleration of the New Debt Instruments would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the New Debt Instruments or the New Subsidiary Guarantees. By their nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, the Company cannot assure you

that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

*It may be difficult to realise the value of the Collateral*

(zz) The security interest of the New Collateral Agent may be subject to practical problems generally associated with the realisation of security interests in the Collateral. For example, the New Collateral Agent may need to obtain the consent of a third-party or governmental agency to obtain or enforce a security interest in a license or contract or to otherwise dispose of the Collateral. The Company cannot assure you that the New Collateral Agent will be able to obtain any such consent. If the New Collateral Agent exercises its rights to foreclose on certain assets, transferring required government approvals to, or obtaining new approvals by, a purchaser of assets may require governmental proceedings with consequent delays.

(aaa) In addition, the New Collateral Agent may need to evaluate the impact of potential liabilities before determining to foreclose on the Collateral. In this regard, the New Collateral Agent may decline to foreclose on the Collateral or exercise remedies available if it does not receive indemnification to its satisfaction from the holders of the New Debt Instruments.

*Rights of holders of the New Debt Instruments in the Collateral may be adversely affected by the failure to perfect the security interests*

(bbb) The New Collateral Agent's ability to foreclose on the Collateral may be subject to restrictions, including but not limited to priority issues, state and provincial law requirements, applicable bankruptcy law, prior liens and practical problems associated with the realisation of the New Collateral Agent's lien on the Collateral, including cure rights, foreclosing on the Collateral within the time periods permitted by third parties or prescribed by laws, obtaining third-party consents, making additional filings, statutory rights of redemption and the effect of the order of foreclosure. There can be no assurance that the consents of any third parties and approvals by governmental entities or courts of competent jurisdiction will be given when required to facilitate a foreclosure on such assets or that foreclosure on the Collateral will be sufficient to make all payments on the New Debt Instruments and/or the New Subsidiary Guarantees.

## 10. TAXATION

The Company has not analysed, and this Listing Document does not discuss, the tax consequences to any Scheme Creditor of the Restructuring. Such tax consequences may be complex and each Scheme Creditor is urged to consult its own tax advisor with respect to the tax consequences of the Restructuring in light of such person's particular circumstances, including the tax consequences in any jurisdiction of the exchange of interests in the In-Scope Debt for any Scheme Consideration, and the receipt, ownership and disposition of such Scheme Consideration. Scheme Creditors are liable for any taxes that may arise as a result of the relevant Scheme and the Restructuring, and shall have no recourse to the Company, the Subsidiary Obligors, the Existing Trustees, the Existing Paying and Transfer Agents and Registrars, the Existing Common Depositaries, the Existing Agents, the New Trustees, the New Agents, the Information Agent, the Blocked Scheme Creditor Tabulation Agent, the Holding Period Trustee or any other person in respect of such taxes or any filing obligation with respect thereto.

# APPENDIX 1

# INTERPRETATION

In this Listing Document, unless the context otherwise requires or otherwise expressly provided:

(a) words denoting the singular number only shall include the plural number also and vice versa;

(b) words denoting one gender only shall include the other genders;

(c) words denoting persons only shall include firms and corporations and vice versa;

(d) references to an agreement, deed or document shall be deemed also to refer to such agreement, deed or document as amended, supplemented, restated, verified, replaced and/or novated (in whole or in part) from time to time and to any agreement, deed or document executed pursuant thereto;

(e) references to any statutory provision shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such re-enactment;

(f) unless expressed otherwise, references to U.S. dollars or US$ are references to the currency of the United States of America;

(g) unless expressed otherwise, references to Hong Kong dollars or HK$ are references to the currency of Hong Kong;

(h) any reference in this Appendix 1 (*Interpretation*) to any document whose meaning is stated to be the meaning given to a document as defined in this Listing Document shall be construed as a reference to that document as amended, varied, novated, restated, modified, supplemented or re-enacted or replaced prior to the date of this Listing Document;

(i) the words "include" and "including" are to be construed without limitation, general words introduced by the word "other" are not to be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words are not to be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words; clause, section and schedule headings are for ease of reference only;

(j) a company is a "subsidiary" of another company, its "holding company", if that other company: (a) holds a majority of the voting rights in it; (b) is a member of it and has the right to appoint or remove a majority of its board of directors; or (c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it, or, if it is a subsidiary of a company that is itself a subsidiary of that other company;

(k) an "undertaking" means a body corporate or partnership; or an unincorporated association carrying on a trade or business, with or without a view to profit; and an undertaking is a parent undertaking in relation to another undertaking, a "subsidiary undertaking", if:

(i) it holds the majority of voting rights in the undertaking;

(ii) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors;

(iii) it has the right to exercise a dominant influence over the undertaking: (A) by virtue of provisions contained in the undertaking's articles; or (B) by virtue of a control contract; or

(iv) it is a member of the undertaking and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in the undertaking;

(l) clause, section and schedule headings are for ease of reference only;

(m) unless otherwise stated, a reference to a time of day shall be construed as a reference to Hong Kong time;

(n) a reference to this Listing Document includes a reference to the preliminary sections and appendices of this Listing Document; and

(o) references to any person shall include references to his successors, transferees and assigns and any person deriving title under or through him.

# APPENDIX 2

# DEFINITIONS

In this Listing Document, unless the context otherwise requires or otherwise expressly provided, all defined terms have the same meaning as set forth in Clause 1 (*Definition and Interpretation*) of the Kaisa Schemes:

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| "**Accession Letter**" | has the meaning given to it in the RSA. |
| "**Accredited Investors**" | means "accredited investors" as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act. |
| "**Applicable Sanctions List**" | means each of:<br>(a) the lists of Specially Designated Nationals and Blocked Persons or "Foreign Sanctions Evaders" or any other list of Persons subject to, or targeted by, similar sanctions as administered, maintained and/or enforced by the Office of Foreign Assets Control of the US Treasury, the US Department of Commerce, the US Department of State and any other Governmental Entity of the United States;<br>(b) the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions maintained by the European Commission, Annex XIX of Regulation (EU) No 833/2014, or any other list of Persons subject to, or targeted by, similar sanctions as administered, maintained and/or enforced by the European Union or any Governmental Entity in any Member State of the European Union; or<br>(c) the Consolidated List of Financial Sanctions Targets in the United Kingdom maintained by the Office of Financial Sanctions Implementation, His Majesty's Treasury of the United Kingdom, the United Kingdom Sanctions List maintained by the Foreign, Commonwealth and Development Office, or any other list of Persons subject to, or targeted by, similar sanctions administered, maintained and/or enforced by any Governmental Entity of the United Kingdom or the Cayman Islands,<br>or any other similar sanctions list of persons and entities subject to a prohibition to transact with, that is developed, maintained and published by any Governmental Entity of the United States of America (including by the US Office of Foreign Assets Control or the US Department of State), the European Union or its Member States, the United Kingdom and the British Overseas Territories in connection with Sanctions, in each case as amended, supplemented or substituted from time to time, and |

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| | "**Applicable Sanctions Lists**" includes, collectively, (a), (b) and (c) of this definition. |
| "**AHG Advisers' Fees**" | has the meaning given to it in the Term Sheet. |
| "**Board**" | means the board of directors of the Company. |
| "**BVI**" | means the British Virgin Islands. |
| "**CWUMPO**" | means the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong). |
| "**Cayman Court**" | means the Grand Court of Cayman Islands and any court capable of hearing appeals therefrom. |
| **"Cayman Registrar of Companies"** | means the Registrar of Companies (including any deputy registrar and/or assistant registrar or similar) appointed under the Companies Act (2023 Revision) in the Cayman Islands. |
| **"Change of Control"** | has the meaning given to that term in the Indentures. |
| "**Clearstream**" | means Clearstream Banking S.A. |
| "**Collateral**" | means the collateral granted by the Group in respect of the New Debt Instruments, as detailed in the Term Sheets. |
| "**Companies Act (2023 Revision)**" | means Cayman Islands Companies Act (2023 Revision) as amended, modified or re-enacted from time to time. |
| "**Consenting Creditor**" | means each person who is a party to the RSA as a 'Participating Creditor' (as defined in the RSA) and "**Consenting Creditors**" means such persons collectively. |
| "**Convening Hearings**" | means the Kaisa Hong Kong Scheme Convening Hearing and the Kaisa Cayman Scheme Convening Hearing. |
| "**Convening Order**" | means the Kaisa Hong Kong Scheme Convening Order or the Kaisa Cayman Scheme Convening Order. |
| "**Custody Instruction Reference Number**" | means, the unique reference provided by Euroclear or Clearstream, following an instruction from an Account Holder to block the relevant Existing Securities or the Flourish Notes in accordance with the instructions contained in this Listing Document. |
| "**Deloitte**" | means Deloitte Advisory (Hong Kong) Limited, the provider of the Recovery Analysis Report. |
| "**Directors**" | means the directors of the Company from time to time. |
| "**Disposal**" | means a sale, lease, licence, transfer, loan or other disposal by a person of any asset, undertaking or business (whether by a voluntary or involuntary single transaction or series of transaction). |
| "**Dollar Equivalent**" | means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination |

thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"**Earliest Longstop Date**" means the earliest to occur of the Kaisa Hong Kong Longstop Date, the Kaisa Cayman Longstop Date, the Rui Jing Hong Kong Longstop Date and the Rui Jing BVI Longstop Date.

"**EEA**" means the European Economic Area.

"**EIT Law**" means the Enterprise Income Tax Law of the PRC.

"**Enforcement Action**" means, in relation to any Existing Finance Document:

(a) the acceleration of any sum payable or the making of any declaration that any sum payable is due and payable or payable on demand;

(b) the making of any demand against any member of the Group under any guarantee or surety provided by that member of the Group;

(c) the suing for, commencing, or joining of any legal or arbitration proceedings against any member of the Group to recover any sums payable or under any guarantee or surety provided by any member of the Group;

(d) the taking of any steps to enforce or require the enforcement of any security granted by any member of the Group;

(e) the levying of any attachment, garnishment, sequestration or other legal process over or in respect of any assets of the Group;

(f) the petitioning, applying, or voting for any Insolvency Proceedings in respect of an Obligor;

(g) the commencing or continuation of any legal action or other proceedings against any member of the Group (or any director or officer of such member of the Group solely in its capacity as director or officer thereof) or any of their respective assets;

(h) joining any other entity or person in the exercise of any of the foregoing rights;

(i) exercising any right, power, privilege or remedy in connection with the foregoing; or

(j) directing any trustee or agent to do any of the foregoing,

except that the following shall not constitute Enforcement Action:

(i) any action as contemplated by the Restructuring;

(ii) any action falling within (a) to (j) above which is necessary, but only to the extent necessary, to preserve the validity, existence, or priority of claims in respect of the Kaisa In-Scope Debt, including the registration of such claims before any Governmental Agency and the bringing, supporting or joining of proceedings to prevent the loss of the right to bring, support, or join proceedings by reason of applicable limitation periods;

(iii) a Participating Creditor (or any trustee or agent acting on its behalf) taking any step required to ensure that such Participating Creditor (or any such trustee or agent) is able to and/or entitled to participate and/or vote in respect of the Kaisa In-Scope Debt in any Insolvency Proceedings in respect of an Obligor; and

(iv) a Participating Creditor (or any trustee or agent acting on its behalf) taking any step that it reasonably determines is required to comply with its obligations under the RSA.

"**Euroclear**" means Euroclear Bank SA/NV.

"**Existing Subsidiary Guarantors**" means, collectively:

1. Kaisa Investment Consulting Limited
2. Goldenform Company Limited
3. Hong Kong Jililong Industry Co., Limited
4. Kaisa Holdings Limited
5. Leisure Land Hotel Management (China) Limited
6. Regal Silver Manufacturing Limited
7. Success Take International Limited
8. Woodland Height Holdings Limited
9. Yi Qing Investment Company Limited
10. Yong Rui Xiang Investment Company Limited
11. Kaisa Investment (China) Limited
12. Wan Rui Fa Investment Company Limited
13. Wan Rui Chang Investment Company Limited
14. Wan Tai Chang Investment Company Limited
15. Wan Jin Chang Investment Company Limited
16. Multi-Shiner Limited
17. Hong Kong Kaisa Industry Co., Limited
18. Bakai Investments (Hong Kong) Limited
19. Topway Asia Group Limited

20. Kaisa Financial Group (China) Company Limited
21. Hong Kong Kaisa Trading Limited
22. Hong Kong Wanyuchang Trading Limited
23. Hong Kong Zhaoruijing Trading Limited
24. Guo Cheng (Hong Kong) Investment Limited
25. Ri Xiang (Hong Kong) Investment Limited
26. Yin Jia (Hong Kong) Investment Limited
27. Rich Tech Hong Kong Investment Limited
28. Apex Walk (Hong Kong) Limited
29. Vast Wave (Hong Kong) Limited
30. Kaisa Financial Group (Hong Kong) Limited
31. Chang Ye Investment Company Limited (昌業投資有限公司)
32. Da Hua Investment Company Limited (大華投資有限公司)
33. Dong Chang Investment Company Limited (東昌投資有限公司)
34. Dong Sheng Investment Company Limited (東升投資有限公司)
35. Guang Feng Investment Company Limited (廣豐投資有限公司)
36. Heng Chang Investment Company Limited (恒昌投資有限公司)
37. Jie Feng Investment Company Limited (捷豐投資有限公司)
38. Jin Chang Investment Company Limited (進昌投資有限公司)
39. Rong Hui Investment Company Limited (榮輝投資有限公司)
40. Rui Jing Investment Company Limited (瑞景投資有限公司)
41. Tai He Xiang Investment Company Limited (泰和詳投資有限公司)
42. Zheng Zhong Tian Investment Company Limited (正中天投資有限公司)
43. Tai He Sheng Investment Company Limited (泰和盛投資有限公司)
44. Tai An Da Investment Company Limited (泰安達投資有限公司)

45. Tai Chang Jian Investment Company Limited (泰昌建投資有限公司)
46. Tai Chong Fa Investment Company Limited (泰昌發投資有限公司)
47. Tai Chong Li Investment Company Limited (泰昌利投資有限公司)
48. Bakai Investments Limited (八凱投資有限公司)
49. Yafa Trading Limited (益發貿易有限公司)
50. Advance Guard Investments Limited (先驅投資有限公司)
51. Central Broad Limited (中博有限公司)
52. Guo Cheng Investments Limited (國承投資有限公司)
53. Ri Xiang Investments Limited (日翔投資有限公司)
54. Yin Jia Investments Limited (銀佳投資有限公司)
55. Jet Smart Global Development Limited (捷利環球發展有限公司)
56. Apex Walk Limited (崴行有限公司)
57. Vast Wave Limited (廣濤有限公司)
58. Kaisa Financial Group (Enterprise) Limited (佳兆業金融集團（企業）有限公司)
59. Kaisa Financial Group (Development) Limited (佳兆業金融集團（發展）有限公司)

"**Existing Subsidiary Guarantor Pledgors**" means, collectively:

1. Chang Ye Investment Company Limited (昌業投資有限公司)
2. Dong Chang Investment Company Limited (東昌投資有限公司)
3. Dong Sheng Investment Company Limited (東升投資有限公司)
4. Guang Feng Investment Company Limited (廣豐投資有限公司)
5. Heng Chang Investment Company Limited (恒昌投資有限公司)
6. Jie Feng Investment Company Limited (捷豐投資有限公司)
7. Jin Chang Investment Company Limited (進昌投資有限公司)

8. Rong Hui Investment Company Limited (榮輝投資有限公司)
9. Rui Jing Investment Company Limited (瑞景投資有限公司)
10. Tai An Da Investment Company Limited (泰安達投資有限公司)
11. Tai Chang Jian Investment Company Limited (泰昌建投資有限公司)
12. Tai Chong Fa Investment Company Limited (泰昌發投資有限公司)
13. Tai Chong Li Investment Company Limited (泰昌利投資有限公司)
14. Tai He Sheng Investment Company Limited (泰和盛投資有限公司)
15. Tai He Xiang Investment Company Limited (泰和詳投資有限公司)
16. Zheng Zhong Tian Investment Company Limited (正中天投資有限公司)
17. Bakai Investments Limited (八凱投資有限公司)
18. Yifa Trading Limited (益發貿易有限公司)
19. Kaisa Holdings Limited
20. Guo Cheng Investments Limited (國承投資有限公司)
21. Ri Xiang Investments Limited (日翔投資有限公司)
22. Yin Jia Investments Limited (銀佳投資有限公司)
23. Jet Smart Global Development Limited (捷利環球發展有限公司)
24. Apex Walk Limited (崴行有限公司)
25. Vast Wave Limited (廣濤有限公司)
26. Kaisa Financial Group (Enterprise) Limited (佳兆業金融集團（企業）有限公司)
27. Kaisa Financial Group (Development) Limited (佳兆業金融集團（發展）有限公司)

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| "**Existing Subsidiary Obligors**" | means the Existing Subsidiary Guarantors and the Existing Subsidiary Guarantor Pledgors. |
| "**Governmental Agency**" | means any government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under statute). |

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| "**Kaisa Blocked Scheme Creditor**" | means a Kaisa Scheme Creditor that is a Blocked Scheme Creditor. |
| "**Kaisa Cayman Longstop Date**" | has the meaning given to it in the Kaisa Cayman Scheme. |
| "**Kaisa Cayman Scheme**" | means the scheme of arrangement to be effected between Kaisa and the Kaisa Scheme Creditors in the Cayman Islands pursuant to section 86 of the Cayman Companies Act, subject to any modifications, additions or conditions that the Court may approve or impose, *provided that* any such modification, addition or condition does not have a material adverse effect on the rights of the Kaisa Scheme Creditors and is not expressly prohibited by the terms of the Kaisa Cayman Scheme. |
| "**Kaisa Cayman Scheme Convening Hearing**" | means the hearing before the Cayman Court following which the Cayman Court issued the Kaisa Cayman Scheme Convening Order. |
| "**Kaisa Cayman Scheme Convening Order**" | means the order of the Cayman Court dated 15 January 2025 ordering, amongst other things, that the Company be at liberty to convene a single meeting of Kaisa Scheme Creditors for the purpose of considering and, if thought fit, approving the Kaisa Cayman Scheme. |
| "**Kaisa Cayman Scheme Sanction Hearing**" | means the hearing at the Cayman Court of the petition in respect of the sanctioning of the Kaisa Cayman Scheme. |
| "**Kaisa Cayman Scheme Sanction Order**" | means the order of the Cayman Court sanctioning the Kaisa Cayman Scheme (with or without modification). |
| "**Kaisa Hong Kong Longstop Date**" | has the meaning given to it in the Kaisa Hong Kong Scheme. |
| "**Kaisa Hong Kong Scheme**" | means the scheme of arrangement to be effected between Kaisa and the Kaisa Scheme Creditors pursuant to Sections 670, 673 & 674 of the Companies Ordinance, subject to any modifications, additions or conditions that the Court may approve or impose, *provided that* any such modification, addition or condition does not have a material adverse effect on the rights of the Kaisa Scheme Creditors and is not expressly prohibited by the terms of the Kaisa Hong Kong Scheme. |
| "**Kaisa Hong Kong Scheme Convening Hearing**" | means the hearing before the Hong Kong Court following which the Hong Kong Court issued the Kaisa Hong Kong Scheme Convening Order. |
| "**Kaisa Hong Kong Scheme Convening Order**" | means the order of the Hong Kong Court dated 19 December 2024 ordering, amongst other things, that the Company be at liberty to convene a single meeting of Kaisa Scheme Creditors for the purpose of considering and, if thought fit, approving the Kaisa Hong Kong Scheme. |

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| "**Kaisa Hong Kong Scheme Sanction Hearing**" | means the hearing at the Hong Kong Court of the petition in respect of the sanctioning of the Kaisa Hong Kong Scheme. |
| "**Kaisa Hong Kong Scheme Sanction Order**" | means the order of the Hong Kong Court sanctioning the Kaisa Hong Kong Scheme (with or without modification). |
| "**Kaisa Sanctioned Scheme Creditor**" | means a Kaisa Scheme Creditor that is a Sanctioned Scheme Creditor. |
| "**Kaisa Sanctions-Affected Scheme Creditor**" | means a Kaisa Blocked Scheme Creditor or a Kaisa Sanctioned Scheme Creditor. |
| "**Kaisa Scheme Claim**" | has the meaning given to it in the Kaisa Schemes. |
| "**Kaisa Scheme Creditors**" | means, as at the Record Time, (A) Persons holding a beneficial interest as principal in the Kaisa In-Scope Debt (or, with respect to the Existing Private Debt, a lender, noteholder and/or finance party under the relevant loan, facility or other agreements, including, without limitation and without double counting, in each case, the Existing Facility Agents), and/or (B) Persons who have a legal interest as principal in the Kaisa In-Scope Debt, including without limitation and in each case without double counting, the Existing Trustees and the Existing Common Depositaries, and "**Kaisa Scheme Creditor**" means any of them. |
| "**Kaisa Scheme Creditor Parties**" | means, in respect of a Kaisa Scheme Creditor, its predecessors, successors, assigns, Designated Recipients, Affiliates and Personnel. |
| "**Kaisa Schemes**" | means, collectively, the Kaisa Hong Kong Scheme and the Kaisa Cayman Scheme. |
| **"Kaisa Schemes Effective Date"** | means the later of:<br>(a) the date on which a sealed copy of the Kaisa Cayman Scheme Sanction Order has been filed with the Cayman Registrar of Companies for registration in respect of the Kaisa Cayman Scheme; and<br>(b) the date on which a sealed copy of the Kaisa Hong Kong Scheme Sanction Order has been filed with the Hong Kong Registrar of Companies in respect of the Kaisa Hong Kong Scheme. |
| "**Kaisa Sanction Hearings**" | means the Kaisa Hong Kong Scheme Sanction Hearing and the Kaisa Cayman Scheme Sanction Hearing. |

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| **"Kaisa Scheme Sanction Orders"** | means, collectively, the Kaisa Hong Kong Scheme Sanction Order and the Kaisa Cayman Scheme Sanction Order. |
| "**IIT Law**" | means the Individual Income Tax Law of the PRC. |
| "**Listing Rules**" | means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. |
| "**Mandatory Conversion Reply Form**" | has the meaning given to it in the New Finance Documents. |
| "**MiFID II**" | means Directive 2014/65/EU. |
| "**Minimum AHG Threshold**" | means at least 25% of the outstanding principal amount of the Existing Securities held by members of the Ad Hoc Group who are also Participating Creditors. |
| "**Minimum Denomination**" | means the minimum denomination of the principal amount of each series of the New Notes, the AHG Work Fee Notes and the Mandatory Convertible Bonds, being US$1.00. |
| "**New Debt Instruments**" | means the New Notes and the Mandatory Convertible Bonds. |
| "**New Subsidiary Guarantees**" | means any guarantee of the obligations of the Company under the New Notes Indentures, the MCB Trust Deeds, the New Debt Instruments and the AHG Work Fee Notes by any Subsidiary Guarantor. |
| "**QIBs**" | means "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act. |
| "**Regulation D**" | means Regulation D under the U.S. Securities Act. |
| "**Regulation S**" | means Regulation S under the U.S. Securities Act. |
| "**Relevant Persons**" | has the meaning given to it in Section 2 (*Important Securities Law Notices*) of this Listing Document. |
| **"Restricted Subsidiaries"** | has the meaning given to it in the New Finance Documents. |
| **"RSA"** | the restructuring support agreement dated 20 August 2024 entered into by and among Kaisa, Rui Jing and the Ad Hoc Group (amongst others) appending the commercial term sheets relating to the Kaisa In-Scope Debt ("**Kaisa Term Sheet**") and the Rui Jing In-Scope Debt ("**Rui Jing Term Sheet**") |
| "**Rui Jing BVI Longstop Date**" | has the meaning given to it in the Rui Jing BVI Scheme. |
| "**Rui Jing BVI Scheme**" | means the scheme of arrangement to be effected between Rui Jing and the Rui Jing Scheme Creditors pursuant to pursuant to section 179A of the BVI Business Companies Act 2004 (as amended), subject to any modifications, |

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| | additions or conditions that the Court may approve or impose, *provided that* any such modification, addition or condition does not have a material adverse effect on the rights of the Rui Jing Scheme Creditors and is not expressly prohibited by the terms of the Rui Jing BVI Scheme. |
| "**Rui Jing BVI Scheme Sanction Hearing**" | means the hearing at the BVI Court of the petition in respect of the sanctioning of the Rui Jing BVI Scheme. |
| "**Rui Jing Deeds of Release**" | has the meaning given to it in the Rui Jing Schemes. |
| "**Rui Jing Deed of Undertaking**" | has the meaning given to it in the Rui Jing Schemes. |
| "**Rui Jing Hong Kong Longstop Date**" | has the meaning given to it in the Rui Jing Hong Kong Scheme. |
| "**Rui Jing Hong Kong Scheme**" | means the scheme of arrangement to be effected between Rui Jing and the Rui Jing Scheme Creditors pursuant to Sections 670, 673 & 674 of the Companies Ordinance, subject to any modifications, additions or conditions that the Court may approve or impose, *provided that* any such modification, addition or condition does not have a material adverse effect on the rights of the Rui Jing Scheme Creditors and is not expressly prohibited by the terms of the Rui Jing Hong Kong Scheme. |
| "**Rui Jing Hong Kong Scheme Sanction Hearing**" | means the hearing at the Hong Kong Court of the petition in respect of the sanctioning of the Rui Jing Hong Kong Scheme. |
| "**Rui Jing Sanction Hearings**" | means the Rui Jing Hong Kong Scheme Sanction Hearing and the Rui Jing BVI Scheme Sanction Hearing. |
| "**Rui Jing Scheme Claim**" | has the meaning given to it in the Rui Jing Schemes. |
| "**Rui Jing Scheme Consideration**" | has the meaning given to it in the Rui Jing Schemes. |
| "**Rui Jing Scheme Creditors**" | means, as at the Record Time, (A) Persons holding beneficial interest as principal in the Rui Jing In-Scope Debt (or, with respect to the DB Loan or the TFI Loan, a lender, noteholder and/or finance party under the relevant loan, facility or other agreements, including, without limitation and without double counting, in each case, the Existing Facility Agents) and/or (B) Persons who have a legal interest as principal in the Rui Jing In-Scope Debt including (without limitation and without double counting, in each case) the Existing Trustees and the |

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| | Existing Common Depositaries, and "**Rui Jing Scheme Creditor**" means any of them. |
| "**Rui Jing Scheme Meetings**" | means the Rui Jing Hong Kong Scheme Meeting and the Rui Jing BVI Scheme Meeting, each as defined under the Rui Jing Schemes. |
| "**Rui Jing Scheme Sanction Orders**" | means, collectively, the Rui Jing Hong Kong Scheme Sanction Order and the Rui Jing BVI Scheme Sanction Order. |
| "**Rui Jing Schemes**" | means, collectively, the Rui Jing Hong Kong Scheme and the Rui Jing BVI Scheme. |
| "**Sanction Hearings**" | means the Kaisa Sanction Hearings and Rui Jing Sanction Hearings. |
| "**Sanction Orders**" | means the Kaisa Scheme Sanction Orders and Rui Jing Scheme Sanction Orders. |
| "**Sanctioned Country**" | means any country or territory that is the target of any comprehensive Applicable Sanctions (being, as at the date of this Listing Document, the Crimea region of Ukraine, the so-called Donetsk and Luhansk People's Republics regions of Ukraine, and the countries of Cuba, Iran, North Korea and Syria). |
| "**Sanctioned Scheme Creditor**" | means a Kaisa Scheme Creditor that is:<br>(a) designated on any Applicable Sanctions List;<br>(b) resident in, ordinarily located in, or incorporated or domiciled under the laws of any Sanctioned Country;<br>(c) 50 percent or more owned, directly or indirectly, or otherwise controlled, directly or indirectly, (in each case with reference to Applicable Sanctions) by any Person or Persons described in (a) above of this definition; or<br>(d) acting on behalf of or at the direction of any Person or Persons described in (a) or (b) above of this definition,<br>except to the extent that any conduct required in respect of such Kaisa Scheme Creditor would be permitted under Applicable Sanctions, including under license or other authorisation by all applicable Governmental Entities. |
| "**Scheme Claims**" | means the Kaisa Scheme Claims and the Rui Jing Scheme Claims, as applicable. |
| "**Scheme Consideration**" | means the Kaisa Scheme Consideration and the Rui Jing Scheme Consideration. |

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| "**Scheme Creditors**" | means, collectively, Kaisa Scheme Creditors and Rui Jing Scheme Creditors. |
| "**Scheme Effective Date**" | means the later of (i) Kaisa Schemes Effective Date; and (ii) Rui Jing Schemes Effective Date. |
| "**Scheme Meetings**" | means, collectively, Kaisa Scheme Meetings and Rui Jing Scheme Meetings. |
| "**SFA**" | means the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time. |
| "**SFO**" | means the Hong Kong Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). |
| "**Shareholder**" | means a person who holds Shares at any time. |
| "**Shares**" | means the ordinary shares of the Company, issued or to be issued by the Company. |
| "**Sponsors**" | means Mr. Kwok Ying Shing and/or Mr. Kwok Ying Chi. |
| "**Successor Escrow Agent**" | means the Person appointed by the Company and Rui Jing as agent of the Successor Escrow. |
| "**Term Sheets**" | means the Kaisa Term Sheet and the Rui Jing Term Sheet. |
| "**Voting Requirements**" | means the requirements that a Participating Creditor submits a valid Custody Instruction by the Custody Instruction Deadline and a validly completed Account Holder Letter and/or Creditor Proxy Form or Blocked Scheme Creditor Form (as applicable) and any other documentation required under the terms of the Restructuring Documents to the Information Agent or the Blocked Scheme Creditor Tabulation Agent (as applicable) by the Record Time. |
| "**Voting Rights**" | means the right generally to vote at a general meeting of shareholders of a person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency, and any such voting power shall therefore be excluded for the purpose of this definition). |
| "**Voting Scheme Claims**" | means the Voting Kaisa Scheme Claims and the Voting Rui Jing Scheme Claims, each as defined under the Kaisa Schemes and the Rui Jing Schemes. |

# APPENDIX 3

# GROUP STRUCTURE CHART

**Simplified corporate structure chart relating to the Restructuring – Kaisa and Rui Jing Schemes of Arrangement**

***Draft as at 9 December 2024***

***WORKING DRAFT BASED ON PRIVATE INFORMATION***

Kaisa Group Holdings Ltd ("**Kaisa**") [**HK**: 1638] *(Cayman)*

Full Thrive International Limited *(BVI)*

Joyful Richness Holdings Limited *(BVI)*

Advance Field Holdings Limited *(BVI)*

Lucky Castle Holdings Limited *(BVI)*

Kaisa Ventures Limited *(BVI)*

43% Kaisa Health Group Holdings Limited [**HK**: 876] *(Bermuda)*

Paramount Access Investments Limited *(BVI)*

Dragon Image Enterprises Limited *(BVI)*

Rui Jing Investment Company Limited ("**Rui Jing**") *(BVI)*

Mighty Empire Group Limited *(BVI)*

Kaisa Financial Group Ltd *(BVI)*

Crystal Path Holdings Limited *(Cayman)*

Kaisa Overseas Group Limited *(BVI)*

Dragon Range Holdings Limited *(BVI)*

Brilliant Bridge Holdings Limited *(BVI)*

City Honour Investments Limited *(BVI)*

Flourish Century Holdings Limited *(BVI)*

Ye Chang Investment Company Limited *(BVI)*

Jie Feng Investment Company Limited *(BVI)*

Guang Feng Investment Company Limited *(BVI)*

Heng Chang Investment Company Limited *(BVI)*

30.60% Kaisa Capital Investment Holdings Limited [**HK**: 936] *(Cayman)*

Elevated Star Holdings Limited *(BVI)*

Clear Fortitude Limited *(BVI)*

The Center (30) Limited *(BVI)*

Grand Sail Developments Limited BVI *(BVI)*

Forever Honour Holdings Limited *(BVI)*

67.18% Kaisa Prosperity Holdings Limited [**HK**: 2168] *(Cayman)*

Da Hua Investment Company Limited *(BVI)*

Tai He Xiang Investment Company Limited *(BVI)*

Zheng Zhong Tian Investment Company Limited *(BVI)*

Rong Hui Investment Company Limited *(BVI)*

Cornwell Holdings (Hong Kong) Limited *(HK)*

Woodland Height Holdings Limited *(HK)*

Success Take International Limited *(HK)*

Regal Silver Manufacturing Limited *(HK)*

99% Kaisa Urban Renewal Group (Shenzhen) Limited *(PRC)*

Dongguan Kaisa Property Development Co., Ltd *(PRC)*

Tai Chong Li Investment Company Limited *(BVI)*

Jin Chang Investment Company Limited *(BVI)*

Chang Ye Investment Company Limited *(BVI)*

Tai Chong Fa Investment Company Limited *(BVI)*

Kaisa Financial Group (Enterprise) Limited *(BVI)*

Tai An Da Investment Company Limited *(BVI)*

Kaisa Investment Consulting Limited *(HK)*

Tai Chang Jian Investment Company Limited *(BVI)*

Tai He Sheng Investment Company Limited *(BVI)*

Advance Guard Investments Limited *(BVI)*

Wan Jin Chang Investment Company Limited *(HK)*

Jet Smart Global Development Limited *(BVI)*

Yi Qing Investment Company Limited *(HK)*

Wan Tai Chang Investment Company Limited *(HK)*

Kaisa Financial Group (Development) Limited *(BVI)*

Wan Rui Fa Investment Company Limited *(HK)*

Multi-Shiner Limited *(HK)*

Wan Rui Chang Investment Company Limited *(HK)*

Kaisa Investment (China) Limited *(HK)*

Yifa Trading Limited *(BVI)*

Rich Tech Hong Kong Investment Limited *(HK)*

Greater Sail Limited *(BVI)*

Kaisa Holdings Limited *(HK)*

Kaisa Financial Group (Hong Kong) Limited *(HK)*

Topway Asia Group Limited *(HK)*

Dong Sheng Investment Company Limited *(BVI)*

Dong Chang Investment Company Limited *(BVI)*

Goldenform Company Limited *(HK)*

Bakai Investments Limited *(BVI)*

Hong Kong Kaisa Trading Limited *(HK)*

Kaisa Financial Group (China) Company Limited *(HK)*

Kaisa Group (Shenzhen) Co., Ltd *(PRC)*

Bakai Investments (Hong Kong) Limited *(HK)*

Yong Rui Xiang Investment Company Limited *(HK)*

Leisure Land Hotel Management (China) Limited *(HK)*

Apex Walk Limited *(BVI)*

Yin Jia Investments Limited *(BVI)*

Guo Cheng Investments Limited *(BVI)*

Ri Xiang Investments Limited *(BVI)*

Central Broad Limited *(BVI)*

Vast Wave Limited *(BVI)*

98% Wanyuchang Computer Technology Development (Shenzhen) Co., Ltd *(PRC)*

Apex Walk (Hong Kong) Limited *(HK)*

Yin Jia (Hong Kong) Investment Limited *(HK)*

Guo Cheng (Hong Kong) Investment Limited *(HK)*

Ri Xiang (Hong Kong) Investment Limited *(HK)*

Vast Wave (Hong Kong) Limited *(HK)*

33.33%

56.67%

10%

Hong Kong Kaisa Industry Co., Limited *(HK)*

Cornwell Holdings (Shenzhen) Co., Ltd *(PRC)*

Hong Kong Wanyuchang Trading Limited *(HK)*

Shenzhen Kaisa Commerce Group Co., Ltd *(PRC)*

Shenzhen Jililong Shiye Co., Ltd *(PRC)*

Hong Kong Zhaoruijing Trading Limited *(HK)*

Hong Kong Jililong Industry Co., Limited *(HK)*

**KEY**

Company *(Country of Incorporation)* — Entity in the Kaisa and/ or Rui Jing Schemes

Company *(Country of Incorporation)* — Publicly-listed company

Company *(Country of Incorporation)* — Group company

——— 100% direct shareholding (unless otherwise specified)

– – – – – – – – – Indirect shareholding

# APPENDIX 4

# FINANCIAL STATEMENTS

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF KAISA GROUP HOLDINGS LTD.**
*(Incorporated in Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of Kaisa Group Holdings Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 101 to 256, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 of the Company, having considered the Plans and Measures being taken by the Group as set out in Note 2.2 to the consolidated financial statements, 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.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

# INDEPENDENT AUDITOR'S REPORT

## KEY AUDIT MATTERS (Continued)

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| **Estimated net realisable values of properties under development and completed properties held for sale**<br>As disclosed in Notes 25 and 26 to the consolidated financial statements, as at 31 December 2024, the Group had properties under development and completed properties held for sale amounting to approximately RMB73,658 million and RMB17,532 million, respectively,<br><br>The Group's properties under development and completed properties held for sale are carried at the lower of cost and net realisable value. Significant management judgement is required in determining the estimated net realisable values of the Group's properties under development and completed properties held for sale with reference to the latest selling prices of the properties and the budgeted costs to be incurred until completion and sale, if appropriate.<br><br>We identified the estimated net realisable value of the Group's properties under development and completed properties held for sale as a key audit matter because of the significance of the balances to the consolidated financial statements as a whole and the significant judgement involved in the estimation of the net realisable value of properties under development and completed properties held for sale. | Our audit procedures in relating to estimated net realisable values of properties under development and completed properties held for sale included, among others, the following:<br><br>• To assess the reasonableness of the net realisable values of properties under development and completed properties held for sales, on a sample basis, by comparing the carrying values with the market prices achieved less future costs to completion in the same projects or comparable properties, based on our knowledge of the Group's business and current market development in the Mainland China real estate industry;<br><br>• To obtain an understanding of the management's process in estimating the future costs to completion for the properties under development; and<br><br>• To assess the reasonableness of their estimations, on a sample basis, by comparing the expected costs to the Group's development budgets and the actual development costs of similar projects recently completed by the Group and by checking to construction contracts and other relevant documents. |
| **Fair value of the investment properties**<br>As disclosed in Note 19 to the consolidated financial statements, as at 31 December 2024, the Group had investment properties amounting to approximately RMB8,410 million.<br><br>The fair value measurement of the Group's investment properties requires significant management judgement taking into account the conditions and locations of the properties as well as the latest market transactions. To support the management's determination on the fair value of the Group's investment properties, the Company has engaged an independent professional valuer to perform fair value measurement of the Group's investment properties at the reporting date. Different valuation techniques were applied to different types of investment properties.<br><br>We identified the fair value of investment properties as a key audit matter because of the significance of the balance to the consolidated financial statements as a whole and the significant judgement involved in the fair value measurement of investment properties. | Our audit procedures in relating to fair value of the investment properties included, among others, the following:<br><br>• To evaluate the competence, capabilities and objectivity of the independent professional valuer;<br><br>• To assess the appropriateness and reasonableness of the valuation methodology, key assumptions and estimates used in the valuations, by comparing them to an estimated range, on a sample basis, based on evidence of comparable market transactions and other publicly available information of the Mainland China real estate industry; and<br><br>• To assess the completeness and consistency of information provided by the Group to the independent professional valuers; and to evaluate the accuracy of the key inputs used in the valuation on a sample basis. |

## KEY AUDIT MATTERS (Continued)

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| **Impairment of investments in associates and joint ventures**<br>As disclosed in Notes 22 and 23 to the consolidated financial statements, as at 31 December 2024, the Group had investment in associates and joint ventures amounting to approximately RMB14,382 million and RMB7,446 million, respectively,<br><br>The Group is required to assess at each reporting date whether there is any indication that the carrying amounts of interests in associates and joint ventures may be impaired. For those associates and joint ventures in which such indication exists, the Group assessed the recoverable amounts of the associates and joint ventures for impairment. Significant management judgement is required in determining the recoverable amounts of the associates and joint ventures, including projections of cash flows, growth rates and discount rates applied.<br><br>We identified the impairment of investments in associates and joint ventures as a key audit matter because of the significance of the balances to the consolidated financial statements as a whole and the significant judgement involved in the impairment of the Group's investment in associate and joint ventures. | Our audit procedures in relating to impairment of the Group's investments in associate and joint ventures included, among others, the following:<br><br>• To understand the management's process for identifying the existence of impairment indicators in respect of the interests in associates and joint ventures and to evaluate the effectiveness of such process;<br><br>• Where indicators of impairment have been identified, to assess the reasonableness of the recoverable amount of each of the relevant associates and joint ventures and to obtain an understanding from management of their financial position and future development plan; and<br><br>• To assess the reasonableness of key inputs and assumptions used by the management in their estimation of recoverable amounts, including projections of cash flows, growth rates and discount rates applied; and to compare cash flow projections to supporting evidence, such as budgets, and to evaluate the reasonableness of these budgets with reference to the future prospects of the associates and joint ventures as well as our knowledge of the industry and business. |

# INDEPENDENT AUDITOR'S REPORT

## OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion with an emphasis of matter paragraph about the going concern basis on those consolidated financial statements on 28 March 2024.

## OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS OF THE COMPANY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the audit committee in discharging are their responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA and to issue an auditor's report. The report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# INDEPENDENT AUDITOR'S REPORT

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors of the Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lee Yan Fai.

**SFAI (HK) CPA Limited**
*Certified Public Accountants*
**Lee Yan Fai**
Practising Certificate Number: P06078

Hong Kong, 31 March 2025

# 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** | 7 | **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 | 8 | **(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 | 19 | **(769,560)** | (408,900) |
| Loss on disposals of subsidiaries, net | 44(b) | **(1,137,880)** | (619,793) |
| Impairment loss recognised | 9 | **(5,533,950)** | (4,701,719) |
| **Operating loss** | | **(24,051,478)** | (14,327,704) |
| Share of results of associates | 22 | **(2,121,921)** | (2,919,188) |
| Share of results of joint ventures | 23 | **(965,039)** | 288,216 |
| Finance income | 10 | **19,362** | 48,751 |
| Finance costs | 10 | **(1,966,489)** | (1,785,323) |
| **Loss before income tax** | 11 | **(29,085,565)** | (18,695,248) |
| Income tax expenses | 12 | **(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) |
| | | **RMB per share** | RMB per share |
| **Loss per share** | 16 | | |
| – Basic | | **(4.067)** | (2.841) |
| – Diluted | | **(4.067)** | (2.841) |

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

| | Notes | 2024 RMB'000 | 2023 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 | 22 | **5,640** | (2,602) |
| Reclassification of cumulative translation reserve upon disposal of a foreign operation | 44(a) | **–** | 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) |

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

| | Notes | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 17 | **4,317,377** | 5,029,514 |
| Right-of-use assets | 18 | **611,554** | 598,175 |
| Investment properties | 19 | **8,409,800** | 9,016,710 |
| Land use rights | 20 | **364,866** | 379,176 |
| Goodwill and intangible assets | 21 | **875,898** | 939,729 |
| Investments in associates | 22 | **14,381,513** | 22,254,794 |
| Investments in joint ventures | 23 | **7,446,149** | 8,450,839 |
| Financial assets at fair value through profit or loss | 24 | **1,336,990** | 4,562,844 |
| Deposits and other receivables | 28 | **3,649** | 28,608 |
| Deferred tax assets | 36 | **1,111,395** | 1,362,966 |
| | | **38,859,191** | 52,623,355 |
| **Current assets** | | | |
| Properties under development | 25 | **73,658,253** | 71,497,787 |
| Completed properties held-for-sale | 26 | **17,531,998** | 20,484,100 |
| Inventories | 27 | **386,519** | 378,757 |
| Trade receivables, prepayments, deposits and other receivables | 28 | **37,497,730** | 44,486,906 |
| Deposits for land acquisition | 29 | **2,483,257** | 2,425,322 |
| Prepayments for proposed development projects | 30 | **36,964,847** | 36,555,406 |
| Financial assets at fair value through profit or loss | 24 | **907,510** | 967,978 |
| Restricted bank balances and cash | 31 | **1,692,711** | 2,406,284 |
| Cash and bank balances | 31 | **697,649** | 994,771 |
| | | **171,820,474** | 180,197,311 |
| **Current liabilities** | | | |
| Contract liabilities | 32 | **18,520,388** | 20,325,482 |
| Accrued construction costs | | **11,517,764** | 8,695,203 |
| Other payables | 33 | **61,923,817** | 46,474,111 |
| Income tax payable | | **12,651,233** | 12,958,433 |
| Lease liabilities | 34 | **145,110** | 135,416 |
| Borrowings | 35 | **118,077,834** | 117,051,570 |
| | | **222,836,146** | 205,640,215 |
| **Net current liabilities** | | **(51,015,672)** | (25,442,904) |
| **Total assets less current liabilities** | | **(12,156,481)** | 27,180,451 |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

| | Notes | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| **Non-current liabilities** | | | |
| Other payables | 33 | **4,433** | 5,876 |
| Lease liabilities | 34 | **425,900** | 441,389 |
| Borrowings | 35 | **16,995,728** | 16,572,447 |
| Deferred tax liabilities | 36 | **2,159,258** | 2,436,384 |
| | | **19,585,319** | 19,456,096 |
| **Net (liabilities) assets** | | **(31,741,800)** | 7,724,355 |
| **EQUITY** | | | |
| Share capital | 37 | **613,530** | 613,530 |
| Perpetual capital securities | 38 | **1,350,054** | 1,350,054 |
| Share premium | 39 | **6,376,801** | 6,376,801 |
| Reserves | 40 | **(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 |

The consolidated financial statements from pages 101 to 108 were approved and authorised for issue by the board of directors on 31 March 2025 and are signed on behalf of the board by:

**Kwok Ying Shing**
*Director*

**Mai Fan**
*Director*

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

| | Equity attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 (note 37) | Share premium RMB'000 (note 39) | Perpetual capital securities RMB'000 (note 38) | Reserves RMB'000 (note 40) | Subtotal RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| As at 1 January 2023 | 613,530 | 6,376,801 | 1,350,054 | (477,548) | 7,862,837 | 27,382,127 | 35,244,964 |
| (Loss) profit for the year | – | – | – | (19,932,153) | (19,932,153) | 230,555 | (19,701,598) |
| Other comprehensive income for the year | – | – | – | 15,559 | 15,559 | 8,557 | 24,116 |
| Total comprehensive (expenses) income for the year | – | – | – | (19,916,594) | (19,916,594) | 239,112 | (19,677,482) |
| Acquisitions of subsidiaries (note 43(a)) | – | – | – | – | – | 51,244 | 51,244 |
| Net (decrease) increase in non-controlling interests without passing and losing on control of a subsidiary | – | – | – | (1,158) | (1,158) | 914 | (244) |
| Net decrease in non-controlling interests arising from loss of control of subsidiaries (note 44(a)) | – | – | – | – | – | (83,593) | (83,593) |
| Deregistration of subsidiaries | – | – | – | – | – | (7,761,600) | (7,761,600) |
| Dividend paid to non-controlling interests of subsidiaries | – | – | – | – | – | (54,739) | (54,739) |
| Share-based payments (note 42(a)) | – | – | – | 5,805 | 5,805 | – | 5,805 |
| **As at 31 December 2023** | 613,530 | 6,376,801 | 1,350,054 | (20,389,495) | (12,049,110) | 19,773,465 | 7,724,355 |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

| | Equity attributable to owners of the Company | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital RMB'000 (note 37) | Share premium RMB'000 (note 39) | Perpetual capital securities RMB'000 (note 38) | Reserves RMB'000 (note 40) | Subtotal RMB'000 | Non-controlling interests RMB'000 | Total equity RMB'000 |
| As at 1 January 2024 | **613,530** | **6,376,801** | **1,350,054** | **(20,389,495)** | **(12,049,110)** | **19,773,465** | **7,724,355** |
| Loss for the year | – | – | – | **(28,533,737)** | **(28,533,737)** | **(695,178)** | **(29,228,915)** |
| Other comprehensive income (expenses) for the year | – | – | – | **3,265** | **3,265** | **(2,035)** | **1,230** |
| Total comprehensive expenses for the year | – | – | – | **(28,530,472)** | **(28,530,472)** | **(697,213)** | **(29,227,685)** |
| Net decrease in non-controlling interests arising from loss of control of subsidiaries (note 44(b)) | – | – | – | – | – | **(41,937)** | **(41,937)** |
| Capital injection from non-controlling interest, net | – | – | – | – | – | **664** | **664** |
| Deregistration of subsidiaries | – | – | – | – | – | **(10,177,237)** | **(10,177,237)** |
| Dividend paid to non-controlling interests of subsidiaries | – | – | – | – | – | **(22,746)** | **(22,746)** |
| Share-based payments (note 42(a)) | – | – | – | **2,786** | **2,786** | – | **2,786** |
| **As at 31 December 2024** | **613,530** | **6,376,801** | **1,350,054** | **(48,917,181)** | **(40,576,796)** | **8,834,996** | **(31,741,800)** |

The notes on pages 109 to 256 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Loss before income tax for the year | **(29,085,565)** | (18,695,248) |
| **Adjustments for:** | | |
| Depreciation of property, plant and equipment | **268,546** | 298,183 |
| Depreciation of right-of-use assets | **68,085** | 42,097 |
| Depreciation of land use rights | **13,410** | 13,476 |
| Amortisation of intangible assets | **40,625** | 37,255 |
| Fair value loss of investment properties, net | **769,560** | 408,900 |
| Impairment loss recognised for property, plant and equipment | **270,000** | – |
| Loss on termination of construction projects, net | **–** | 1,128,201 |
| Loss on deregistration of associates | **834** | 1,937 |
| Impairment loss on investments in associates | **252,353** | 397,030 |
| Impairment loss on goodwill | **24,378** | – |
| Interest income | **(19,362)** | (48,751) |
| Interest expense | **1,966,489** | 1,785,323 |
| Loss (Gain) on disposal of property, plant and equipment | **699,080** | (167) |
| Loss on disposal of financial assets at FVTPL | **–** | 50,000 |
| Loss on disposal of investment properties | **107,712** | – |
| Net exchange loss | **1,516,440** | 1,239,476 |
| Net fair value loss on financial assets at FVTPL | **253,165** | 1,294,962 |
| Net loss on disposals of subsidiaries | **1,137,880** | 619,793 |
| Impairment loss recognised for financial assets | **5,606,275** | 2,528,203 |
| Share of results of associates | **2,121,921** | 2,919,188 |
| Share of results of joint ventures | **965,039** | (288,216) |
| Share-based payments | **2,786** | 5,805 |
| Impairment loss (reversed) recognised for financial liabilities in respect of financial guarantees | **(72,325)** | 2,173,516 |
| Impairment loss recognised for properties under development and completed properties held for sale | **11,297,601** | 3,275,982 |
| | **(1,795,073)** | (813,055) |
| **Changes in working capital:** | | |
| Changes in inventories | **(7,762)** | (31,296) |
| Changes in properties under development and completed properties held for sale | **698,719** | 19,257,070 |
| Changes in trade receivables, deposits and other receivables | **(285,285)** | 831,181 |
| Changes in deposits for land acquisition | **(57,935)** | 87,068 |
| Changes in prepayments for proposed development projects | **(409,441)** | (627,061) |
| Changes in restricted cash | **698,697** | 1,228,715 |
| Changes in contract liabilities | **(1,629,412)** | (16,303,636) |
| Changes in accrued construction costs | **4,118,288** | (3,643,652) |
| Changes in other payables | **(982,297)** | 330,189 |
| **Cash generated from operations** | **348,499** | 315,523 |
| Income tax paid | **(201,499)** | (304,423) |
| Interest paid | **(271,815)** | (370,278) |
| *Net cash used in operating activities* | **(124,815)** | (359,178) |

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Cash flows from investing activities** | | |
| Additions to property, plant and equipment | **(190,412)** | (73,646) |
| Additions to land use rights | **–** | (900) |
| Additions to intangible assets | **(1,172)** | (2,000) |
| Acquisitions of financial assets at FVTPL | **(7,320)** | – |
| Acquisitions of subsidiaries, net of cash acquired | **127,494** | 25 |
| Changes in amounts due from associates | **462,444** | (348,521) |
| Changes in amounts due from joint ventures | **254,384** | 59,301 |
| Changes in amounts due from non-controlling interest of a subsidiary | **(5,902)** | (421,498) |
| Increase in investment in associates | **(144)** | – |
| Disposal of investments in associates | **261,598** | – |
| Cash outflow from disposals of subsidiaries | **(9,232)** | (6,149) |
| Deregistration of subsidiaries | **(1,040)** | – |
| Interest received | **19,362** | 48,751 |
| Decrease in consideration payables related to acquisitions of subsidiaries | **(15,352)** | (44,702) |
| Proceeds from disposals of investment properties | **–** | 26,790 |
| Proceeds from disposals of financial assets at FVTPL | **87,805** | 96,839 |
| Proceeds from disposals of property, plant and equipment | **–** | 61,339 |
| *Net cash generated from (used in) investing activities* | **982,513** | (604,371) |
| **Cash flows from financing activities** | | |
| Capital injection by non-controlling interests | **664** | 914 |
| Change in amounts due to associates | **122,734** | (155,714) |
| Change in amounts due to joint ventures | **(176,428)** | 470,124 |
| Decrease in restricted cash relating to borrowings | **14,876** | 78,408 |
| Change in amounts due to non-controlling interests of subsidiaries | **(704)** | 2,701 |
| Proceeds from bank and other borrowings | **64,556** | 1,587,104 |
| Payment of lease liabilities | **(93,511)** | (87,881) |
| Repayments of bank and other borrowings | **(1,043,140)** | (2,040,061) |
| Dividend paid to non-controlling interests of subsidiaries | **(22,746)** | (54,739) |
| *Net cash used in financing activities* | **(1,133,699)** | (199,144) |
| **Net decrease in cash and cash equivalents** | **(276,001)** | (1,162,693) |
| Cash and cash equivalents at the beginning of the year | **994,771** | 2,067,642 |
| Exchange adjustments | **(21,121)** | 89,822 |
| **Cash and cash equivalents at the end of the year, represented by cash and bank balances** | **697,649** | 994,771 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 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 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").

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

The English names of all the companies established in the PRC presented in these consolidated financial statements represent the best efforts made by the management of the Company for the translation of the Chinese names of these companies to English names as they do not have official English names.

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

### 2.1 Restructuring of the Group's In-Scope Debt

As described in Notes 2.2 and 35(g), as at 31 December 2024, certain of the Group's borrowings had become default and/or cross default and thus, together with the Financial Adviser, Houlihan Lockey (China) Limited and the Legal Adviser, Sidley Austin, the Company consummated a holistic restructuring of the Group's material offshore indebtedness (i.e. the "In-Scope Debt", as described and defined in the RSA, and further explained below), implemented through parallel schemes of arrangement (the "Schemes") in Hong Kong, Cayman and British Virgin Islands ("BVI") which comprises the Kaisa Hong Kong Scheme, the Kaisa Cayman Scheme, the Rui Jing Hong Kong Scheme and the Rui Jing BVI Scheme, that are inter-conditional.

As at the date of approval of the consolidated financial statements, the Restructuring of the In-Scope Debt has not been completed.

Pursuant to the terms of the Schemes, the obligations of the Group's In-Scope Debt and the related accrued interest payable will be comprised in exchange for the affected creditors (the "Scheme Creditors") received various instruments, shares and cash in the Company and the Group (the "Restructuring") and the principal steps of which are set out below:

(a) Entering into the conditional Restructuring Support Agreement with certain Scheme Creditors

Pursuant to the announcement of the Company dated 20 August 2024, at the same date, the Company and Rui Jing Investment Company Limited (瑞景投資有限公司, "Rui Jing", a direct wholly-owned subsidiary of the Company incorporated in the BVI with limited liability) entered into the Restructuring Support Agreement (the "RSA") with certain Scheme Creditors (the "AHG" or the "AHG Group").

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.1 Restructuring of the Group's In-Scope Debt (Continued)

(a) Entering into the conditional Restructuring Support Agreement with certain Scheme Creditors (Continued)

The key features of the Restructuring are as following:

*(1) Restructuring Consideration*

The restructuring consideration (the "Restructuring Consideration") for the Scheme Creditors mainly comprise of the following:

a. Issuance of six tranches of US$ denominated senior notes (the "New Notes") with an aggregate original principal amount for each tranche of New Notes stated below:

- Tranche A: US$400 million;
- Tranche B: US$600 million;
- Tranche C: US$1,000 million;
- Tranche D: US$1,200 million;
- Tranche E: US$1,800 million; and
- Tranche F: (a) 50% of the sum of Kaisa Scheme Creditors' Entitlements multiplied by the Kaisa Scheme Recovery Rate Ratio minus (b) the aggregate principal amount of Tranches A (excluding the Consent Fee) through E New Notes to be issued under Kaisa Scheme(s), as set out in the RSA.

The New Notes will have maturity dates ranging from 28 December 2027 to 28 December 2032, with cash interest ranging from 5.00% p.a. to 6.25% p.a. (or 6.00% p.a. to 7.25% p.a. if any interest for the relevant interest payment period is paid in kind). For the first five years after 31 December 2023, interest on the New Notes may be paid either in cash or in kind, or a combination thereof, at the election of the Company, provided that (i) minimum cash coupon of 0.35% payable on 28 December 2025; 1.25% payable semi-annually in 2026; 1.75% payable semi-annually in 2027; and 2.25% payable semi-annually in 2028; (ii) the Company shall not be entitled to elect to pay any interest in kind if more than 20% of the original principal amount of the MCBs have been redeemed and/or cancelled by the Company or otherwise repurchased and held by the Company and/or any of its affiliates on or prior to such interest payment date. Starting from 1 January 2029, interest on the New Notes shall be paid entirely in cash.

The Company will have the option to extend the maturity of Tranche A New Notes for one additional year to 28 December 2028, provided that a cash extension fee of 1.00% of the outstanding principal amount of the Tranche A New Notes is paid on or prior to 15 December 2027. If maturity extension is elected, the interest rate of the Tranche A New Notes shall increase by 0.5% p.a. during the extension period;

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.1 Restructuring of the Group's In-Scope Debt (Continued)

(a) Entering into the conditional Restructuring Support Agreement with certain Scheme Creditors (Continued)

*(1) Restructuring Consideration* (Continued)

b. Issuance of eight tranches of US$ denominated mandatory convertible bonds (the "Mandatory Convertible Bonds" or "MCBs") with an aggregate original principal amount for each tranche of MCBs stated below:

- Tranche A: US$300 million;
- Tranche B: US$400 million;
- Tranche C: US$500 million;
- Tranche D: US$800 million;
- Tranche E: US$800 million;
- Tranche F: US$1,000 million;
- Tranche G: US$1,000 million; and
- Tranche H: (a) 50% of the sum of Kaisa Scheme Creditors' Entitlements multiplied by the Kaisa Scheme Recovery Rate Ratio minus (b) the aggregate principal amount of Tranches A through G MCBs to be issued under Kaisa Scheme(s), as set out in the RSA.

On maturity, each tranche of the outstanding MCBs will be mandatorily converted (if not already converted pursuant to other earlier conversions triggers) into shares of the Company at the respective conversion price (the "Conversion Price"), subject for adjustments, if appropriate.

If an event of default (the "Event of Default") occurs and is continuing under the New Notes, the outstanding MCBs shall become immediately due and payable debt claims that rank pari passu with the New Notes and there shall be no mandatory conversion of all or any part of the MCBs.

c. Issuance of the consent fee in the form of Tranche A New Notes (the "Consent Fee") and AHG Work Fee Notes that will be matured on 28 December 2027, as described in the RSA;

d. Issuance of 2,100 million ordinary shares of the Company (the "AHG Work Fee Shares"); and

e. AHG Work Fee of cash.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.1 Restructuring of the Group's In-Scope Debt (Continued)

(a) Entering into the conditional Restructuring Support Agreement with certain Scheme Creditors (Continued)

*(1) Restructuring Consideration* (Continued)

The New Notes and the MCBs will be secured by first ranking security over (i) the amounts outstanding under the RMB115 million shareholder loan advanced by Mr. Kwok Ying Sing; (ii) the designated offshore and onshore bank accounts in keeping the Net Cash Proceeds from Cash Sweep – onshore Assets and Cash Sweep – Offshore Assets as described below; and (iv) certain shares of subsidiaries of the Company.

The Restructuring Consideration, comprises New Notes, MCBs, Consent Fee, AHG Work Fee Notes, AHG Work Fee Shares and cash that will be allocated to respective Scheme Creditors in accordance with the terms of the Schemes, as set out in the RSA.

*(2) Net Cash Proceeds from Cash Sweep – onshore Assets and Cash Sweep – Offshore Assets*

Cash Sweep – onshore Assets comprises certain of the Group's onshore investment properties and Urban Renewal Projects and while Cash Sweep – Offshore Assets comprises certain of the Group's Offshore Assets as described in the RSA.

It is expected that the cash proceeds or cash dividends from the Cash Sweep – onshore Assets and Cash Sweep – Offshore Assets attributable to the Group will be applied to repay the New Notes, Consent Fee and AHG Work Fee Notes in accordance with the terms of the RSA.

(b) Approval of the MCBs Issue and AHG Work Fee Share Issue

Pursuant to the Extraordinary General Meeting of the Company held on 18 December 2024, the resolutions regarding the MCB Issue and AHG Work Fee Share Issue under the Specific Mandate were approved by the shareholders of the Company.

(c) Approval of the Schemes by the Scheme Creditors

Pursuant to the Company's announcement dated 28 February 2025, the Kaisa Hong Kong Scheme, the Kaisa Cayman Scheme, the Rui Jing Hong Kong Scheme and the Rui Jing BVI Scheme were approved by the requisite majority of respective Scheme Creditors.

(d) Approval and sanction of the Schemes

Pursuant to the Company's announcement dated 24 March 2025, the sanction of the Kaisa Hong Kong Scheme and Rui Jing Hong Kong Scheme took place and were approved on 24 March 2025 at the High Court of the Hong Kong Special Administrative Region (the "High Court").

Pursuant to the Company's announcement dated 28 March 2025, the sanction of the Kaisa Cayman Scheme took place and was approved on 26 March 2025 at the Grand Court of the Cayman Islands (the "Caymen Court").

The hearing of the petition seeking sanction of the Rui Jing BVI Scheme is presently scheduled to take place on 7 April 2025 at the Eastern Caribbean Supreme Court in the High Court of Justice (the "BVI Court").

The directors of the Company believe that, in view of the Rui Jing BVI Scheme was approved by the requisite majority of respective Scheme Creditors, with the consultation of the Financial Adviser and the Legal Adviser, it is expected that the sanction of the Rui Jing BVI Scheme will be approved by the BVI Court.

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.1 Restructuring of the Group's In-Scope Debt (Continued)

(d) Approval and sanction of the Schemes (Continued)

The directors of the Company are confident that the holistic Restructuring will ultimately reach a conclusion based on recent successful outcome that have been achieved as described above and hence, all claims of the Scheme Creditors under the In-Scope Debt and the related accrued interest payable will be fully released and discharged upon the distribution of the Restructuring Consideration to the Scheme Creditors. The directors of the Company consider that the completion of the Restructuring will definitely (i) provide the Company with a mid to long-term runway to stabilise the business; (ii) allow adequate financial flexibility to achieve a sustainable capital structure and enhance its net asset value; and (iii) protect the rights and interests, and maximise value, for all stakeholders.

As at 31 December 2024, the Group had recorded a net deficiency of equity attributable to owners of the Company of approximately RMB40,577 million, the directors of the Company believe that the Group's financial condition will be significant improved subsequent to the completion of the Restructuring.

Further details of the above are set out in the Company's announcements dated 17 October 2023, 20 August 2024, 13 September 2024, 16 September 2024, 29 November 2024 and 11 December 2024, 19 December 2024, 28 February 2025, 24 March 2025 and 28 March 2025 and the Company's circular dated 29 November 2024.

### 2.2 Going concern assessment

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, loans 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, as 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.2 Going concern assessment (Continued)

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) As described in Note 2.1, up to the date of approval of these consolidation financial statements, other than the Rui Jing BVI Scheme, the sanctions of the Schemes 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 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 of the Company 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 of the Company 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.

## 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 2.2 Going concern assessment (Continued)

(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 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 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.

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

### 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 consolidated financial positions and future performance. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

### 4.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equal the transaction price.

In addition, for financial reporting purpose, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Basis of consolidation (Continued)

*Changes in the Group's interests in existing subsidiaries*

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

*Optional concentration test*

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

*Asset acquisitions*

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Business combinations or asset acquisitions (Continued)

*Business combinations*

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 *Levies*, in which the Group applies HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below);

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Business combinations or asset acquisitions (Continued)

*Business combinations* (Continued)

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

  Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

  Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

  When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

  The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

  When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 *Financial Instruments* would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

  If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate and a joint venture is described below.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Investments in associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate or a joint venture may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 *Impairment of asserts* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 *Impairment of asserts* to the extent that the recoverable amount of the investment subsequently increases.

The Group applies HKFRS 9 *Financial Instruments*, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying HKFRS 9 *Financial Instruments*, to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 *Investments in Associates and Joint Ventures* (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28 *Investments in Associates and Joint Ventures*).

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKFRS 9 *Financial Instruments*, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate or joint venture.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Changes in the Group's interests in associates and joint ventures

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Revenue from contracts with customers (Continued)

*Principal versus agent*

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Further information about the Group's accounting policies relating to revenue from contracts with customers is provided in note 7.

Leases

*Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application or arising from business combinations, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Leases* at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Short-term leases

The Group applies the short-term lease recognition exemption to leases of rental premises that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Leases (Continued)

*Right-of-use assets*

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property or inventory in "property, plant and equipment", as a separate line item on the consolidated statement of financial position. Right-of-use assets that meet the definition of investment property and inventory are presented within "investment properties" and "properties under development" and "completed properties held for sale" respectively. The prepaid lease payments for leasehold land are presented as "Land use rights" under non-current assets as described below.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

*Lease liabilities*

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Leases (Continued)

*Lease liabilities* (Continued)

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

*The Group as a lessor*

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 *Revenue from Contracts with Customers* ("HKFRS 15") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 *Financial Instruments* and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Leases (Continued)

*The Group as a lessor* (Continued)

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For rent concession under which the Group legally releases the lessee from its obligation to make specifically identified lease payment, of which some of these lease payments are contractually due but not paid and some of them are not yet contractually due, the Group accounts for the portions which have been recognised as operating lease receivables (i.e. the lease payments which are contractually due but not paid) by applying the ECL and derecognition requirements under HKFRS 9 *Financial Instruments* and applies lease modification requirements for the forgiven lease payments that the Group has not recognised (i.e. the lease payments which are not yet contractually due) as at the effective date of modification.

Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies rates are recognised in profit or loss. All foreign exchange gains and losses are presented in profit or loss on a net basis within "Other income, gains and losses, net".

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as following:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates of the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken into equity owners' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on sale.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. For properties under development for which revenue is recognised over time, the Group ceases to capitalise borrowing costs as soon as the properties are ready for the Group's intended sale.

Any specific borrowing that remains outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income, gains and losses, net".

Employee benefits

*Retirement benefit costs*

Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The Group also participates in a pension scheme under the rules and regulations of the MPF Scheme for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees' relevant aggregate income, subject to a ceiling of HK$1,500 per month per head.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

*Bonus plans*

The expected cost of bonus plan is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

*Termination benefits*

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Employee benefits (Continued)

*Short-term employee benefits*

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Construction in progress in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

If a property becomes an investment property because its use has changed as evidenced by end of owner occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including properties under construction for such purposes). Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. A leased property which is recognised as a right-of-use asset is derecognised if the Group as intermediate lessor classifies the sublease as a finance lease. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

If a property becomes an owner-occupied property because its use has been changed as evidenced by commencement of owner-occupation, the fair value of the property at the date of change in use is considered as the deemed cost for subsequent accounting.

Land use rights

The Group makes upfront payments to obtain land use rights (which meet the definition of right-of-use assets). The upfront payments of the land use rights are recorded as assets. The depreciation of land use rights is recognised as an expense on a straight-line basis over the unexpired period of the land use rights.

Intangible assets

*Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment loss.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Intangible assets (Continued)

*Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately

*Intangible assets acquired in a business combination*

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at revalued amounts, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Intangible assets (Continued)

*Intangible assets acquired in a business combination* (Continued)

Contracts with sports players

Separately acquired contracts with sports players are shown at historical cost. Costs of contracts with sports players are initial recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method ranged from one to five years.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Trademarks and patent, customer relationship, technology, distribution network and other intangible assets

Trademarks and patent, customer relationship, technology, distribution network and other intangible assets acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method ranged from five to eleven years over the expected life of these intangible assets.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Impairment on property, plant and equipment, right-of-use assets, land use rights and intangible assets other than Goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, land use rights intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, land use right and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15 *Revenue from Contracts with Customers*, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Impairment on property, plant and equipment, right-of-use assets, land use rights and intangible assets other than Goodwill (Continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties under development

Properties under development which are developed in the ordinary course of business are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, properties under development are carried at the lower of cost and net realisable value. Development costs comprise specifically identified costs, including land acquisition costs, development expenditure, capitalised borrowing costs and other related expenditures. On completion, the costs of the properties are transferred to completed properties held for sales.

Net realisable value is estimated by the management, taking into account the price ultimately expected to be realised and the anticipated costs to completion.

Completed properties held for sales

Completed properties held for sales are classified as current assets. Except for the leasehold land element which is measured at cost model in accordance with the accounting policies of right-of-use assets, Completed properties held for sales are carried at the lower of cost and net realisable value. Cost is determined by apportionment of the total land and development costs attributable to the unsold properties.

Net realisable value is estimated by the management, based on prevailing market conditions which represents the estimated selling price in the ordinary course of business less estimated selling expenses.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

*Financial assets*

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained earnings.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Other gains/(losses), net" line item in profit or loss.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Financial instruments (Continued)

*Financial assets* (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains a) or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Other gain/(losses), net" line item.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, other receivables, payments on behalf of residents, contract assets, amounts due from related parties, restricted cash and bank balances and cash which are subject to impairment assessment under HKFRS 9 *Financial Instruments*. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

*(i) Significant increase in credit risk* (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*(ii) Definition of default*

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

*(iii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

*(iv) Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

*(v) Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for trade receivables and contract assets are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

*(v) Measurement and recognition of ECL* (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other gains/(losses)' line item as part of the exchange gains/(losses), net;

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss.

- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the reserve.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the reserve is not reclassified to profit or loss, but is transferred to retained earnings.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

*Financial liabilities and equity*

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade payables, other payables, lease liabilities and amounts due to related parties are subsequently measured at amortised cost, using the effective interest method.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. Financial guarantee contract liabilities are measured initially at their fair values. It is subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9 *Financial Instruments*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other gains/(losses)' line item in profit or loss as part of exchange gains/(losses), net for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Trade receivables are amounts due from customers for properties sold or services performed in the ordinary course of business. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. The description of the Group's impairment policies is set out above.

Cash and cash equivalents

Bank balances and cash presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value and restricted deposits arising from pre-sale of properties that are held for meeting short-term cash commitments. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of bank balances and cash as defined.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Perpetual capital securities

Perpetual capital securities with no contractual obligation to repay its principal or to pay any distribution are classified as part of equity.

These are initially recognised at their fair value on the date of issuance and are not subsequently remeasured.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

(i) has control or joint control over of the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 4. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### 4.2 Material accounting policy information (Continued)

Related parties (Continued)

(b) the party is an entity and if any of the following conditions applies:

(i) the entity and the Group are members of the same group.

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTIES

In the application of the Group's accounting policies which are described in Note 4.2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### Going concern and liquidity

As explained in Note 2.2, the consolidated financial statements have been prepared on a going concern basis and have not included any adjustments that would be required should the Group fail to continue as a going concern since the directors are satisfied that the liquidity of the Group can be maintained in the coming year after taking into the Plans and Measures as detailed in Note 2.2. The directors of the Company also believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements for the next twelve months from 31 December 2024.

#### Control over Kaisa Health Group Holdings Limited ("Kaisa Health Group")

As at 31 December 2024, Kaisa Health Group is accounted for as a subsidiary of the Group although the Group has only 42.99% ownership interest and voting rights in Kaisa Health Group. Kaisa Health Group was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange in November 2017. The Group has the 42.99% ownership in Kaisa Health Group since November 2017 and the remaining 57.01% of shareholdings are owned by thousands of shareholders that are unrelated to the Group.

The directors of the Company assessed whether the Group has control over Kaisa Health Group based on whether the Group has the practical ability to direct the relevant activities of Kaisa Health Group unilaterally. In making the judgement, the directors of the Company consider the factors that: (i) the directors of the Company considered the Group's absolute size of holding in Kaisa Health Group and the relative size of and dispersion of the shareholdings owned by the other shareholders; and (ii) the Group is able to appoint majority of the board of directors of Kaisa Health Group. After assessment, the directors of the Company concluded that the Group has control over Kaisa Health Group based on the fact that Group has the power to direct the relevant activities of Kaisa Health Group unilaterally and therefore Kaisa Health Group is accounted for as a subsidiary of the Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTIES (Continued)

### Critical judgements in applying accounting policies (Continued)

Control over Kaisa Capital Investment Holdings Limited ("Kaisa Capital Group")

Kaisa Capital Group is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on the Stock Exchange since 19 July 2010. On 29 April 2021, the Group completed its acquisition of 30.6% equity interest in Kaisa Capital Group. Pursuant to the terms of the Acting In Concert Undertaking dated 28 April 2021 with details being disclosed in the Company's announcement dated 28 April 2021, Excel Range Investments Limited ("Excel Range") (being a substantial shareholder holding 26% of the equity interests of Kaisa Capital Group at the time of the acquisition and up to the date when the consolidated financial statements were authorised for issued) has irrevocably and unconditionally undertaken to the Group that it will act in concert with the Group with respect to Kaisa Capital Group where Excel Range will vote in the same manner as the Group at shareholders' meetings of Kaisa Capital Group and that it will let the Group take the lead with respect to the control of Kaisa Capital Group. Thus, the directors of the Company consider that the Group has obtained de facto control over Kaisa Capital Group.

The directors of the Company assessed whether the Group has control over Kaisa Capital Group based on whether the Group has the practical ability to direct the relevant activities of Kaisa Capital Group unilaterally. In making the judgement, the directors of the Company consider the factors that: (i) the Group has de facto controlling power over Kaisa Capital Group; (ii) the Group is able to appoint majority of the board of directors of Kaisa Capital Group; and (iii) since 16 July 2021, Mr. Kwok Ying Shing, the Chairman of the Company, has been appointed as the Chairman of Kaisa Capital Group. After assessment, the directors of the Company concluded that the Group has control over Kaisa Capital Group based on the fact that Group has the power to direct the relevant activities of Kaisa Capital Group unilaterally and therefore Kaisa Capital is accounted for as a subsidiary of the Company.

### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value of investment properties

Investment properties, including those completed investment properties and investment properties under construction, are carried at fair value in the consolidated statement of financial position and the changes in the fair value are recognised in the profit or loss. Such fair value is based on valuations conducted by independent professional valuers using property valuation techniques.

In making the fair value measurement, consideration is given to inputs and assumptions that are mainly based on market conditions existing at the reporting date, expected rental from future leases in the light of current market conditions and capitalisation rates. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

As at 31 December 2024, details of the Group's investment properties and the information regarding the fair value measurement of investment properties are set out in Note 19.

Estimated net realisable value of properties under development and completed properties held for sales

In determining whether allowances should be made for the Group's properties under development and completed properties held for sales, the management takes into consideration the current market environment and the estimated net realisable value (i.e. the historical/estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, if any). An allowance is made if the estimated or actual net realisable value of the properties under development and completed properties held for sales is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost.

As at 31 December 2024, details of the Group's properties under development and completed properties held for sales set out in Notes 25 and 26, respectively.

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTIES (Continued)

### Key sources of estimation uncertainty (Continued)

Impairment of non-financial assets (other than goodwill, investments in associates and joint ventures)

The Group assesses whether there are any indicators of impairment for property, plant and equipment, right-of-use assets, land use right and intangible assets at the end of the reporting date. These non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

As at 31 December 2024, details of the Group's property, plant and equipment, right-of-use assets, land use right and intangible are set out in Notes 17, 18, 20 and 21, respectively.

Income taxes, land appreciation taxes, withholding taxes and deferred income taxes

The Group's subsidiaries that operate in the PRC are subject to income tax in the PRC. Significant judgement is required in determining the provision for income taxes and withholding taxes on undistributed earnings of PRC subsidiaries. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred income tax provision in the period in which such determination is made.

Deferred tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of PRC subsidiaries to be repatriated and distributed by way of dividends as the directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

The Group is subject to land appreciation taxes in the PRC. However, the implementation and settlement of these taxes varies among various tax jurisdictions in cities of the PRC, and the Group has not finalised certain of its land appreciation taxes calculation and payments with any local tax authorities in the PRC for most of its property projects. Accordingly, judgement is required in determining the amount of the land appreciation tax. The Group recognises these land appreciation taxes based on management's best estimates according to the interpretation of the tax rules. The final tax outcome could be different from the amounts that were initially recorded, and these differences will impact the income tax expense and tax provisions in the periods in which such taxes have been finalised with local tax authorities.

Details of the income tax charge and credit during the year ended 31 December 2024 and deferred income tax assets and liabilities are set out in Notes 12 and 36, respectively.

## 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTIES (Continued)

### Key sources of estimation uncertainty (Continued)

Impairment of trade and other receivables

Under HKFRS 9 *Financial Instruments*, the Group makes allowances on items subjects to ECL (including debtors, deposits and other receivables (excluding prepayments and prepaid other taxes)) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade receivables and other items within the scope of ECL of HKFRS 9 *Financial Instruments* and credit losses in the periods in which such estimate has been changed.

As at 31 December 2024, details of the Group's trade and other receivables are set out in Note 28.

Estimation of goodwill impairment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. Other intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances, including, among others, the current economic environments impact on the operations of the Group, indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

As at 31 December 2024, details of the Group's goodwill are set out in Note 21.

Fair value measurement of financial instruments

The Group's financial assets at fair value through profit or loss are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments.

As at 31 December 2024, details of the Group's financial assets at fair value through profit or loss are set out in Notes 24.

Impairment assessment on investments in associates and joint ventures

At the end of the reporting period, the Group performed impairment assessment on investments in associates and joint ventures in relation to those investments that have impairment indicators. Determining whether impairment loss should be recognised requires an estimation of the recoverable amount of the relevant associate and joint ventures which is the higher of value in use and fair value less costs of disposal. The value in use calculation requires the management of the Group to estimate the present value of the estimated cash flows expected to arise from dividends to be received from the associate and the proceeds from the ultimate disposal of the investment. In case where the actual cash flows are less or more than expected, or change in facts and circumstances which result in revision of future cash flows estimation or discount rate, a material reversal or further recognition of impairment may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

As at 31 December 2024, details of the Group's investments in associates and joint ventures are set out in Notes 22 and 23, respectively.

## 6. SEGMENT INFORMATION

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 the Group's 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, results, assets and liabilities attributable to each reportable segment mentioned above.

The accounting policies of the operating segments are the same as the Group's accounting policies as set out in Note 4.2.

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.

Segment assets consist primarily of property, plant and equipment, right-of-use assets, investment properties, investments in joint ventures, investments in associates, goodwill and intangible assets, land use rights, properties under development, completed properties held for sale, inventories, debtors, deposits and other receivables, deposits for land acquisition, prepayments for proposed development projects, cash and bank balance, restricted bank balance and cash. They exclude financial assets at FVTPL, deferred tax assets and prepaid tax.

As at 31 December 2024, segment assets of "property development", "property management" and "others" segments included the investments in associates. In addition, the segment assets of "property development" and "others" segment included the investments in joint ventures accounted for using the equity method.

Segment liabilities consist primarily of contract liabilities, accrued construction costs, operating borrowings and other payables. They exclude lease liabilities, deferred tax liabilities, income tax payable, corporate borrowings.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results, assets and liabilities (Continued)

Information regarding the Group's reportable segments revenue and results, assets and liabilities 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 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) |
| (Loss) gain on disposals of subsidiaries, net | (682,895) | – | – | – | – | 63,102 | – | (619,793) |
| Fair value 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) |

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results, assets and liabilities (Continued)

| | 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 | Elimination RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|---|---|
| **As at 31 December 2023** | | | | | | | | | |
| ***Assets and Liabilities*** | | | | | | | | | |
| Segment assets | 957,755,020 | 37,214,630 | 7,377,524 | 3,740,927 | 9,723,261 | 4,688,673 | 174,113,543 | (968,686,700) | 225,926,878 |
| Unallocated | | | | | | | | | 6,893,788 |
| **Total consolidated assets** | | | | | | | | | 232,820,666 |
| Segment liabilities | 799,651,573 | 1,847,654 | 3,720,573 | 3,282,597 | 10,970,974 | 761,958 | 165,334,170 | (909,492,025) | 76,077,474 |
| Unallocated | | | | | | | | | 149,018,837 |
| **Total consolidated liabilities** | | | | | | | | | 225,096,311 |
| **As of and for the year ended 31 December 2023** | | | | | | | | | |
| **Other information:** | | | | | | | | | |
| Capital expenditure | 3,152 | 5,726 | 4,036 | 2,782 | 10,571 | 20,442 | 125,983 | – | 172,692 |
| Net investments in associates | 420,285 | – | – | – | – | – | – | – | 420,285 |
| Depreciation and amortisation: | | | | | | | | | |
| – Property, plant and equipment | 148,790 | 17,095 | 14,310 | 3,231 | 6,920 | 14,825 | 93,012 | – | 298,183 |
| – Right-of-use assets | 13,503 | – | 160 | – | – | 6,203 | 22,231 | – | 42,097 |
| – Intangible assets | – | – | 6,034 | – | – | 28,245 | 2,976 | – | 37,255 |
| – Land use rights | 3,914 | – | – | 8,920 | 304 | 338 | – | – | 13,476 |
| Impairment loss recognised for properties under development and completed properties held-for-sale | 3,275,982 | – | – | – | – | – | – | – | 3,275,982 |
| Impairment loss recognised for financial assets | 2,026,931 | 78,759 | 15,613 | 7,917 | 20,578 | 9,923 | 368,482 | – | 2,528,203 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results, assets and liabilities (Continued)

| | 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) |

## 6. SEGMENT INFORMATION (Continued)

### (a) Segment revenue and results, assets and liabilities (Continued)

| | 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 | Elimination RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | | | | | |
| ***Assets and Liabilities*** | | | | | | | | | |
| Segment assets | 864,882,789 | 33,070,014 | 8,052,274 | 3,760,985 | 10,204,358 | 4,777,494 | 172,753,580 | (890,117,968) | 207,383,526 |
| Unallocated | | | | | | | | | 3,296,139 |
| **Total consolidated assets** | | | | | | | | | 210,679,665 |
| Segment liabilities | 784,688,186 | 2,526,262 | 4,027,645 | 3,302,014 | 11,633,717 | 4,109,919 | 166,339,711 | (884,030,276) | 92,597,178 |
| Unallocated | | | | | | | | | 149,824,287 |
| **Total consolidated liabilities** | | | | | | | | | 242,421,465 |
| **As of and for the year ended 31 December 2024** | | | | | | | | | |
| **Other information:** | | | | | | | | | |
| Capital expenditure | 141,162 | – | 1,299 | 323 | 1,869 | 12,039 | 33,720 | – | 190,412 |
| Net investments in associates | – | – | 144 | – | – | – | – | – | 144 |
| Depreciation and amortisation: | | | | | | | | | |
| – Property, plant and equipment | 131,276 | 28,646 | 4,348 | 1,059 | 4,918 | 18,483 | 79,816 | – | 268,546 |
| – Right-of-use assets | 16,979 | – | 18,353 | – | – | 6,314 | 26,439 | – | 68,085 |
| – Intangible assets | – | – | 5,100 | – | – | 28,286 | 7,239 | – | 40,625 |
| – Land use rights | 3,914 | – | – | 8,920 | 304 | 272 | – | – | 13,410 |
| Impairment loss recognised for properties under development and completed properties held-for-sale | 11,297,601 | – | – | – | – | – | – | – | 11,297,601 |
| Impairment loss recognised for goodwill | – | – | 24,378 | – | – | – | – | – | 24,378 |
| Impairment loss recognised for financial assets | 4,591,052 | 29,581 | 40,571 | 13,056 | 57,375 | 23,692 | 850,948 | – | 5,606,275 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 6. SEGMENT INFORMATION (Continued)

### (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.

## 7. 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 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

## 7. REVENUE (Continued)

### (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 RMB'000 | 2023 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 RMB'000 | 2023 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 |

(iii) The Group derives revenue from the transfer of goods and services by geographical markets

Further information about the Group derives revenue from the transfer of goods and services by geographical markets is set out in Note 6.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 7. REVENUE (Continued)

### (b) Contract balances

| | Notes | As at 31 December 2024 RMB'000 | 2023 RMB'000 | As at 1 January 2023 |
|---|---|---|---|---|
| Trade receivables | 28 | **1,762,498** | 2,042,751 | 2,061,442 |
| Less: Allowances | | **(501,956)** | (193,708) | (126,118) |
| | | **1,260,542** | 1,849,043 | 1,935,324 |
| Contract liabilities | 32 | **18,520,388** | 20,325,482 | 36,629,118 |

Details of the Group's trade receivables and contact liabilities are set out in notes 28 and 32, respectively.

### (c) Performance obligations for contracts with customers and revenue and other income recognition policies

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities.

The Group's revenue is measured based on the consideration specified in a contract with a customer, less discounts, returns and value added tax or other sales taxes.

The Group's performance obligations for contracts with customers and revenue and other income recognition policies are as follows:

Revenue from contracts with customers and other sources

*(i) Sales of properties*

Revenue is recognised when or as the control of the asset is transferred to the customers. Depending on the terms of the contract and the law that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

## 7. REVENUE (Continued)

### (c) Performance obligations for contracts with customers and revenue and other income recognition policies (Continued)

Revenue from contracts with customers and other sources (Continued)

*(i) Sales of properties* (Continued)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

For properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress, i.e. the costs incurred up to date compared with the total budgeted costs, which depict the Group's performance towards satisfying the performance obligation.

For contract where the period between the payment by the customer and the transfer of the promised property or service exceeds one year, the transaction price is adjusted for the effects of a significant financing component.

Deposits and instalments received from purchasers prior to delivery of the properties to the customers are contract liabilities.

For property sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

*(ii) Rental income*

Rental income from properties leasing under operating leases is recognised on a straight-line basis over the lease terms.

*(iii) Hotel operation income*

Revenue from hotel operation is recognised in the accounting period in which the services are rendered.

*(iv) Property management*

Revenue arising from property management is recognised in the accounting period in which the services are rendered. The Group bills a fixed amount for each month of service provided and recognises as revenue in the amount to which the Group satisfies performance obligations by transferring the services to its customers.

For property management services income from properties managed under lump sum basis, where the Group acts as principal and is primary responsible for providing the property management services to the property owners, the Group recognises the fee received or receivable from property owners as its revenue and all related property management costs as its cost of service. For property management services income from properties managed under commission basis, the Group recognises the commission, which is calculated by certain percentage of the total property management fee received or receivable from the property units, as its revenue for arranging and monitoring the services as provided by other suppliers to the property owners.

Pre-delivery and consulting services to non-property owners mainly includes fees for construction sites management, display units and property sales venues management and consulting services to property developers at the pre-delivery stage, and property management consulting services provided to other property management companies which are billed based on actual level of services provided at pre-determined price and revenue is recognised when such services are provided.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 7. REVENUE (Continued)

### (c) Performance obligations for contracts with customers and revenue and other income recognition policies (Continued)

Revenue from contracts with customers and other sources (Continued)

*(v) Catering income*

Revenue from restaurant operations is recognised when food, beverages and services are delivered to or rendered to and have been accepted by customers.

*(vi) Sales of goods other than the sales of properties*

The Group manufactures and sells a range of consumer products, including dental prosthetics. Revenue from sales of goods is recognised when the products have been delivered to and accepted by customers.

*(vii) Cultural centre income*

Revenue from cultural centre income is recognised when the venues are used by customers.

Other income

(i) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(ii) Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(iii) Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same period in which the expenses are incurred.

Further information about the Group's accounting policies relating to revenue from contracts with customers is provided in Note 4.2 to the consolidated financial statements.

### (d) Transaction price allocated to remaining performance obligation

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 *Revenue from Contracts with Customers*, to exempt the disclosure of revenue expected to be recognised in the future arising from contracts and details of which are set out in Note 32.

## 8. OTHER INCOME, GAINS AND LOSSES, NET

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Forfeited customer deposits | **7,865** | 2,984 |
| Government subsidy income (note below) | **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)** | – |
| Impairments 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) |

Note: The amount represents the subsidies received from local government bureaux in the PRC as an incentive for development in specific regions or for the public welfare opening of cultural and sports venues. There was no unfulfilled conditions and other contingencies attached to the receipt of the subsidies.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 9. IMPAIRMENT LOSS RECOGNISED

| | 2024 RMB'000 | 2023 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 | **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 |

## 10. FINANCE INCOME AND FINANCE COSTS

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Finance income** | | |
| Interest income on bank deposits | **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 expense | **13,927,567** | 12,530,218 |
| Less: Interest capitalised | **(11,961,078)** | (10,744,895) |
| | **1,966,489** | 1,785,323 |

Note: During the year ended 31 December 2024, the borrowing costs have been capitalised at a rate of 9.8% (2023: 9.7%) per annum for the year.

## 11. LOSS BEFORE INCOME TAX

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

| | 2024 RMB'000 | 2023 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 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 12. INCOME TAX EXPENSES

| | 2024 RMB'000 | 2023 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 |

### Overseas income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax. The group companies in the British Virgin Islands ("BVI") were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, exempted from British Virgin Islands income tax.

### Hong Kong profits tax

Under the Hong Kong two-tiered profits tax rates regime, the first HK$2 million of profits of qualifying corporations are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. No Hong Kong Profits Tax has been provided as the Group did not have any assessable profits during the years ended 31 December 2024 and 31 December 2023.

No Hong Kong Profit Tax has been provided for the years ended 31 December 2024 and 2023 as the Group has no assessable profits arising in or derived from Hong Kong for the years.

### PRC Enterprise Income Tax

Income tax provision of the Group in respect of operations in Mainland China has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof.

PRC Enterprise Income Tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2023: 25%).

Provision for the PRC Corporate Income Tax for 成都市佳兆業物業管理有限公司 (Kaisa Property Management (Chengdu) Co., Ltd.), 重慶市佳兆業物業管理有限公司 (Kaisa Property Management (Chongqing) Co., Ltd.) and 柳州佳兆業物業管理有限公司 (Kaisa Property Management (Liuzhou) Co., Ltd.) are calculated at 15% of the estimated assessable profits for both years ended 31 December 2024 and 2023. Those companies are qualified as the companies under the development strategy of the PRC's western region and are able to enjoy a preferential income tax rate of 15%.

深圳市佳科智能科技有限公司 (Shenzhen Jiake Intelligence Technology Co., Ltd.) has obtained the certificate of "High and New Technology Enterprise" ("HNTE") with effective from 15 November 2023 and was registered with the local tax authority to be eligible for a concessionary tax rate of 15% for three years from 2023 to 2025.

For certain group entities engaged in property management services ("The PM Entities"), pursuant to relevant local tax regulations in the PRC, the Group has elected to file consolidated tax return for the PM Entities incorporating assessable profit and tax losses attributable to the PM Entities as well as certain communities which are managed by the PM Entities under commission basis. As a result of such arrangement, the Group is able to temporarily utilise tax losses of loss-making communities, resulting in deferral of payment of certain provision.

## 12. INCOME TAX EXPENSES (Continued)

### PRC Enterprise Income Tax (Continued)

A subsidiary of the Group was accredited as a "High and New Technology Enterprise" in the PRC with effect from 26 December 2024 and was registered with the local tax authority to be eligible to a concessionary tax rate of 15% for three years from 2024 to 2026.

According to a policy promulgated by the State Tax Bureau of the PRC, effective from September 2019 onwards, enterprises engage in research and development activities are entitled to claim 175% of the research and development expenses incurred in a year as tax deductible expenses in determining taxable profits for that year ("Super Deduction"). A subsidiary is eligible to such Super Deduction in ascertaining its tax assessable profit for the years ended 31 December 2024 and 31 December 2023.

### PRC withholding income tax

According to the Corporate Income Law of the PRC, starting from 1 January 2008, a withholding tax of 10% will be received on the immediate holding companies outside the PRC where their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong according to the tax treaty arrangements between the PRC and Hong Kong.

### PRC Land Appreciation Tax

PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

The income tax on the Group's loss before income tax differs from the theoretical amount that would arise using the enacted tax rate of the home country of the group entities as follows:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| Loss before income tax | **(29,085,565)** | (18,695,248) |
| Share of results of associates and joint ventures, net | **3,086,960** | 2,630,972 |
| | **(25,998,605)** | (16,064,276) |
| Calculated at PRC enterprise income tax rate of 25% (2023: 25%) | **(6,499,651)** | (4,016,069) |
| Effect of different income tax rates of subsidiaries | **132,859** | 228,516 |
| Income not subject to tax | **(30,454)** | (72,328) |
| Expenses not deductible for tax purposes | **258,201** | 167,827 |
| Effect of tax losses/deductible temporary difference not recognised | **6,204,286** | 3,900,448 |
| PRC Enterprise Income Tax | **65,241** | 208,394 |
| PRC Land Appreciation Tax | **78,109** | 797,956 |
| Income tax expenses | **143,350** | 1,006,350 |

## 13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION

Directors' and chief executive's emoluments disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefit of Directors) Regulations, is as follows:

| | Fees RMB'000 | Salary and other benefits RMB'000 | Discretionary performance-related bonus RMB'000 | Contribution to pension scheme RMB'000 | Share-based payments RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|
| **Year ended 31 December 2023** | | | | | | |
| **Executive directors** | | | | | | |
| Mr. Kwok Ying Shing (Chairman) | – | 3,802 | – | – | – | 3,802 |
| Mr. Sun Yuenan (Vice Chairman) (note (a)) | – | 4,466 | – | 35 | – | 4,501 |
| Mr. Mai Fan (Vice Chairman and Chief Executive Officer) | – | 3,806 | – | 43 | – | 3,849 |
| Mr. Li Hai Ming | – | 3,220 | – | 43 | – | 3,263 |
| Mr. Kwok Hiu Kwan | – | 760 | – | – | – | 760 |
| **Non-Executive director** | | | | | | |
| Ms. Chen Shaohuan (Note (b)) | – | 272 | – | – | – | 272 |
| **Independent non-Executive directors** | | | | | | |
| Mr. Rao Yong | 272 | – | – | – | – | 272 |
| Mr. Zhang Yizhao | 272 | – | – | – | – | 272 |
| Mr. Liu Xuesheng | 272 | – | – | – | – | 272 |
| **Total** | 816 | 16,326 | – | 121 | – | 17,263 |
| **Year ended 31 December 2024** | | | | | | |
| **Executive directors** | | | | | | |
| Mr. Kwok Ying Shing (Chairman) | – | **2,857** | – | – | – | **2,857** |
| Mr. Sun Yuenan (Vice Chairman) (note (a)) | – | **2,397** | – | – | – | **2,397** |
| Mr. Mai Fan (Vice Chairman and Chief Executive Officer) | – | **2,052** | – | **35** | – | **2,087** |
| Mr. Li Hai Ming | – | **2,104** | – | **35** | – | **2,139** |
| Mr. Kwok Hiu Kwan | – | **765** | – | – | – | **765** |
| Ms. Luo Tingting (Note (c)) | – | **302** | – | **2** | – | **304** |
| Mr. Song Wei (Note (c)) | – | **296** | – | **2** | – | **298** |
| Mr. Liu Lihao (Note (c)) | – | **250** | – | **2** | **139** | **391** |
| **Non-Executive director** | | | | | | |
| Ms. Chen Shaohuan (Note (b)) | – | **78** | – | – | – | **78** |
| **Independent non-Executive directors** | | | | | | |
| Mr. Rao Yong | **274** | – | – | – | – | **274** |
| Mr. Zhang Yizhao | **274** | – | – | – | – | **274** |
| Mr. Liu Xuesheng | **274** | – | – | – | – | **274** |
| **Total** | **822** | **11,101** | – | **76** | **139** | **12,138** |

## 13. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S REMUNERATION (Continued)

Notes:

(a) Mr. Sun Yuenan retired as vice chairman and executive director with effect from 12 September 2024.

(b) Ms. Chen Shaohuan resigned as non-executive director with effect from 12 April 2024.

(c) Ms. Luo Tingting, Mr. Song Wei and Mr. Liu Lihao were appointed as executive directors with effect from 12 September 2024.

The performance related incentive bonus payment is determined with reference to the operating results and individual performance for each year by the board of directors of the Company.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There was no arrangement under which a director or the Chief Executive Officer waived or agreed to waive any remuneration during the year. In addition, there was no inducement paid for directors to join the Group and no compensation for the loss of office as a director in connection with the management of the affairs of any member of the Group.

Equity-settled share-based payment expenses are measured according to the accounting policies as set out in note 4.2. Particulars of the share options granted to the directors under the share option scheme of the Company by the Company and the ultimate holding company are set out in note 42.

## 14. FIVE HIGHEST PAID INDIVIDUALS

During the year ended 31 December 2024, the five individuals whose emoluments were the highest in the Group for the year included five directors whose emoluments are reflected in note 13.

During the year ended 31 December 2023, the five individuals whose emoluments were the highest in the Group for the year included three directors whose emoluments are reflected in note 13. The emoluments for the remaining two individuals for the year ended 31 December 2023 were as follows:

| | RMB'000 |
|---|---|
| Salaries and other benefits | 6,295 |
| Contribution to pension schemes | 105 |
| Discretionary bonus | – |
| Share-based payments | 1,724 |
| | 8,124 |

No directors or the five highest paid individuals received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for loss of office for the years ended 31 December 2024 and 31 December 2023. No directors or the five highest paid individuals have waived or agreed to waive any emoluments for the years ended 31 December 2024 and 31 December 2023.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 15. 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.

## 16. 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:

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

### Number of shares

| | **2024** **(number of shares '000)** | 2023 |
|---|---|---|
| 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 and its subsidiaries 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.

## 17. PROPERTY, PLANT AND EQUIPMENT

| | Hotel properties RMB'000 | Land and buildings RMB'000 | Machinery RMB'000 | Motor vehicles RMB'000 | Furniture, fitting and equipment RMB'000 | Construction in progress RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| **As at 1 January 2023** | | | | | | | |
| Cost | 2,366,670 | 1,588,614 | 321,640 | 51,870 | 1,152,432 | 178,289 | 5,659,515 |
| Accumulated depreciation and impairment | (346,689) | (529,614) | (130,691) | (35,412) | (157,923) | (2,800) | (1,203,129) |
| Net carrying amounts | 2,019,981 | 1,059,000 | 190,949 | 16,458 | 994,509 | 175,489 | 4,456,386 |
| **Year ended 31 December 2023** | | | | | | | |
| Carrying amounts as at 1 January 2023 | 2,019,981 | 1,059,000 | 190,949 | 16,458 | 994,509 | 175,489 | 4,456,386 |
| Transfer from right-of-use assets | – | – | 13,064 | – | – | – | 13,064 |
| Transfer from properties held-for-sale | 857,677 | – | – | – | – | – | 857,677 |
| Transfer from properties under development | – | – | – | – | – | (16,914) | (16,914) |
| Additions | – | 27,563 | 16,493 | 2,019 | 9,421 | 18,150 | 73,646 |
| Acquisitions of subsidiaries (Note 43(a)) | – | – | – | – | 5,937 | – | 5,937 |
| Disposals | – | (4,568) | (13,100) | (139) | (43,365) | – | (61,172) |
| Disposals of subsidiaries (Note 44(a)) | – | – | (2,381) | (4) | (132) | – | (2,517) |
| Depreciation (Note 11) | (142,275) | (38,721) | (37,067) | (7,595) | (72,525) | – | (298,183) |
| Exchange realignment | – | 96 | 1,633 | 134 | (262) | (11) | 1,590 |
| Carrying amounts as at 31 December 2023 | 2,735,383 | 1,043,370 | 169,591 | 10,873 | 893,583 | 176,714 | 5,029,514 |
| **As at 31 December 2023** | | | | | | | |
| Cost | 3,433,255 | 1,298,770 | 430,790 | 53,889 | 1,167,790 | 176,714 | 6,561,208 |
| Accumulated depreciation and impairment | (697,872) | (255,400) | (261,199) | (43,016) | (274,207) | – | (1,531,694) |
| Net carrying amounts | 2,735,383 | 1,043,370 | 169,591 | 10,873 | 893,583 | 176,714 | 5,029,514 |
| **Year ended 31 December 2024** | | | | | | | |
| Carrying amounts as at 1 January 2024 | **2,735,383** | **1,043,370** | **169,591** | **10,873** | **893,583** | **176,714** | **5,029,514** |
| Transfer from right-of-use assets | **–** | **–** | **6,005** | **–** | **–** | **–** | **6,005** |
| Transfer from properties held-for-sale | **318,208** | **73,545** | **117** | **–** | **–** | **–** | **391,870** |
| Additions | **2,929** | **–** | **40,569** | **1,230** | **14,615** | **131,069** | **190,412** |
| Acquisitions of subsidiaries (Note 43(b)) | **–** | **–** | **–** | **–** | **153** | **–** | **153** |
| Disposals | **(748,575)** | **–** | **(2,557)** | **(799)** | **(5,970)** | **–** | **(757,901)** |
| Disposals of subsidiaries (Note 44(b)) | **–** | **–** | **–** | **–** | **(446)** | **–** | **(446)** |
| Depreciation (Note 11) | **(121,857)** | **(39,073)** | **(35,119)** | **(3,696)** | **(68,801)** | **–** | **(268,546)** |
| Impairment (Note 8) | **–** | **(270,000)** | **–** | **–** | **–** | **–** | **(270,000)** |
| Exchange realignment | **–** | **–** | **(2,153)** | **(302)** | **(1,229)** | **–** | **(3.684)** |
| Carrying amounts as at 31 December 2024 | **2,186,088** | **807,842** | **176,453** | **7,306** | **831,905** | **307,783** | **4,317,377** |
| **As at 31 December 2024** | | | | | | | |
| Cost | **2,812,139** | **1,372,315** | **455,862** | **53,296** | **1,182,822** | **307,783** | **6,184,217** |
| Accumulated depreciation and impairment | **(626,051)** | **(564,473)** | **(279,409)** | **(45,990)** | **(350,917)** | **–** | **(1,866,840)** |
| Net carrying amounts | **2,186,088** | **807,842** | **176,453** | **7,306** | **831,905** | **307,783** | **4,317,377** |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation is recognised so as to write off the cost of assets other than construction in progress over their estimated useful lives, using the straight-line method as follows:

| | |
|---|---|
| Hotel properties | 20-25 years |
| Land and buildings | 20-40 years |
| Machinery | 5 years |
| Motor vehicles | 5-10 years |
| Furniture, fitting and equipment | 3-8 years |

As at 31 December 2024, hotel properties, land and buildings with net carrying amounts of approximately RMB2,993,930,000 (2023: RMB2,779,885,000) were pledged as collateral for the Group's borrowings (note 35).

During the year ended 31 December 2024, the Group derecognised certain property, plant and equipment in the amount of RMB757,901,000 for the settlement of the Group's liabilities.

As at 31 December 2024, there was a land and building with net carrying amounts of approximately RMB605,270,000 (2023: RMB875,264,000) located in Hong Kong and under medium-term lease (between 10 and 50 years), and the remaining balances of hotel properties and land and buildings of approximately RMB2,388,660,000 (2023: RMB2,903,489,000) was located in the PRC and under medium-term and long-term lease (more than 50 years).

Depreciation expenses were charged to the following categories in the consolidated statement of profit or loss and other comprehensive income:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| Cost of sales | **112,531** | 162,653 |
| Administrative expenses | **156,015** | 135,530 |
| | **268,546** | 298,183 |

The management of the Group concluded there was an indication of impairment relating to the Group's land and buildings located in Hong Kong. The recoverable amount of those land and buildings are determined based on their fair value less costs of disposal. The fair value measurement is categorised into Level 3 under the fair value hierarchy. After the assessment, an impairment loss amounted to RMB270,000,000 (2023: Nil) has been recognised that was charged to profit or loss for the year ended 31 December 2024.

## 18. RIGHT-OF-USE ASSETS

The amount in respect of leases are as follows:

| | Motor vehicles RMB'000 | Office equipment RMB'000 | Properties RMB'000 | Machinery RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| As at 1 January 2023 | 36 | 534 | 501,400 | 72,408 | 574,378 |
| Additions | – | – | 12,721 | 85,425 | 98,146 |
| Early termination | – | – | – | (16,015) | (16,015) |
| Transfer to property, plant and equipment | – | – | – | (13,064) | (13,064) |
| Disposal of subsidiaries | – | – | (4,949) | – | (4,949) |
| Depreciation | (36) | (19) | (28,058) | (13,984) | (42,097) |
| Exchange realignment | – | – | 525 | 1,251 | 1,776 |
| As at 31 December 2023 and 1 January 2024 | **–** | **515** | **481,639** | **116,021** | **598,175** |
| Additions | **–** | **–** | **42,967** | **54,657** | **97,624** |
| Early termination | **–** | **–** | **(9,908)** | **–** | **(9,908)** |
| Transfer to property, plant and equipment | **–** | **–** | **–** | **(6,005)** | **(6,005)** |
| Depreciation | **–** | **(19)** | **(50,358)** | **(17,708)** | **(68,085)** |
| Exchange realignment | **–** | **–** | **(16)** | **(231)** | **(247)** |
| **As at 31 December 2024** | **–** | **496** | **464,324** | **146,734** | **611,554** |

The right-of use assets represented leases of motor vehicles, office equipment, properties (staff quarters, offices and etc.) and machinery in Hong Kong and the PRC. The leases typically run for an initial period of 1 to 18 (2023: 1 to 18) years.

**Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term**

In accordance with the Group's accounting policies, the Group reviews the carrying amount of its right-of-use assets to determine whether there is any indication of that these assets have suffered an impairment loss. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made at the reporting period. After assessment, these has no indication that the Group's right-of-use assets has suffered an impairment at the end of the reporting period.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 19. INVESTMENT PROPERTIES

| | Under construction RMB'000 | Completed RMB'000 | Total RMB'000 |
|---|---|---|---|
| As at 1 January 2023 | 1,114,000 | 8,338,400 | 9,452,400 |
| Disposals | – | (26,790) | (26,790) |
| Changes in fair value | (44,000) | (364,900) | (408,900) |
| Transfer (note below) | (1,070,000) | 1,070,000 | – |
| As at 31 December 2023 and 1 January 2024 | – | **9,016,710** | **9,016,710** |
| Transfer from properties under development | – | **501,300** | **501,300** |
| Disposals | – | **(338,650)** | **(338,650)** |
| Changes in fair value | – | **(769,560)** | **(769,560)** |
| **As at 31 December 2024** | – | **8,409,800** | **8,409,800** |

Note: The construction has been completed in the prior reporting period but the relevant subsidiary has not obtained the 房產證 "House Property Right Certificate".

During the year ended 31 December 2024, the Group derecognised certain investment properties in the amount of RMB338,650,000 for the purpose of settlement of the Group's liabilities.

During the year ended 31 December 2024, investment properties in the amount of approximately RMB501,300,000 had been transferred from properties under development upon the Group entering into tenancy agreements with external customers.

### Valuation processes of the Group
The Group engages an independent professional qualified valuer, Savills Valuation and Professional Services Limited ("Savills") to perform the fair value valuation of its investment properties at least semiannually.

Discussions of valuation processes and results are held between the management, audit committee and the valuer in respect of valuation at the end of the reporting period, including but not limited to the following areas:

- discusses and assesses reasonableness of methodologies, major assumptions and inputs adopted in the independent valuation report;
- assesses property valuations movements and compares to the prior year valuation reports; and
- holds discussions with the independent valuer.

### Valuation techniques
Fair value measurements using significant unobservable inputs

Fair values of completed commercial properties are generally derived using the income capitalisation method. This valuation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalization rates, which are derived from analysis of sale transactions and valuers' estimates of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Commercial RMB'000** | **Carpark RMB'000** | Commercial RMB'000 | Carpark RMB'000 |
| Capitalisation rate | **2.5%-4.75%** | **6.5%** | 2.5%-6.5% | 6.50% |
| Expected vacancy rate | **0%-15%** | **N/A** | 0%-15% | N/A |
| Monthly rental | **RMB70-RMB780 per sq. m.** | **2,330 per unit** | RMB73-RMB779 per sq. m. | RMB2,330 per unit |

## 19. INVESTMENT PROPERTIES (Continued)

**Valuation techniques** (Continued)

Fair value measurements using significant unobservable inputs (Continued)

Capitalisation and expected vacancy rates are estimated by the independent valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

As at 31 December 2024 and 31 December 2023, the fair value measurement of the Group's investment properties is categorised at level 3. During the years ended 31 December 2024 and 31 December 2023, there were no transfers into or out of level 3.

The Group's investment properties are analysed as follows:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| In the PRC, held under | | |
| – Leases of between 10 to 50 years | **8,409,800** | 9,016,710 |

As at 31 December 2024, investment properties with aggregate cumulative of RMB8,409,800,000 (2023: RMB9,016,710,000) were pledged as collateral for the Group's borrowings (Note 35).

## 20. LAND USE RIGHTS

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| As at 1 January | **379,176** | 395,098 |
| Addition | **–** | 900 |
| Depreciation, included in administrative expenses (note 11) | **(13,410)** | (13,476) |
| Disposals | **(900)** | (3,283) |
| Exchange realignment | **–** | (63) |
| As at 31 December | **364,866** | 379,176 |
| In the PRC, held under: | | |
| – Leases of between 10-50 years | **364,866** | 379,176 |

Land use rights comprise cost of acquiring rights to use certain lands, which are principally located in the PRC, for hotel properties, self-use buildings and self-operating properties over fixed periods. The prepaid lease payments for the land use rights meet the definition of right-of-use assets in accordance with HKFRS 16 Leases.

As at 31 December 2024, land use rights with net carrying amounts of RMB194,955,000 (2023: RMB208,767,000) were pledged as collateral for the Group's borrowings (Note 35).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 21. GOODWILL AND INTANGIBLE ASSETS

| | Intangible assets | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Contracts with sports players RMB'000 (note (a) below) | Trademarks and patent RMB'000 (note (b) below) | Customer relationship RMB'000 (note (b) below) | Technology RMB'000 (note (b) below) | Distribution network RMB'000 (note (b) below) | Other RMB'000 | Sub-total RMB'000 | Goodwill RMB'000 (note (c) below) | Total RMB'000 |
| **Cost** | | | | | | | | | |
| As 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 |
| As 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** |
| **As 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 amortization and impairment** | | | | | | | | | |
| As 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 |
| As 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** |
| **As 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** | | | | | | | | | |
| **As at 31 December 2024** | **–** | **113,258** | **19,322** | **–** | **–** | **2,347** | **134,927** | **740,971** | **875,898** |
| **As at 31 December 2023** | – | 146,294 | 26,558 | – | – | 1,528 | 174,380 | 765,349 | 939,729 |

## 21. GOODWILL AND INTANGIBLE ASSETS (Continued)

Notes:

(a) Contracts with sports players

The amounts represent the costs to acquire sports players' contracts or to extend their contracts, including the related agent's fees which were fully impaired in prior years.

(b) Trademarks and patent, customer relationship, technology, distribution network and other intangible assets

The trademarks and patent, customer relationship, technology, distribution network and other intangible assets were measured at their fair values at the date of acquisition and the valuation of the intangible assets is performed by an independent professional valuer not related to the Group. The fair value of these intangible assets at the date of acquisition was determined based on the income approach by estimating the future income arising from these intangible assets and the cost approach by reference to the financial information provided by the Group.

The intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of 5 to 10 (2023: 5 to 10) years.

(c) Goodwill

The goodwill arose as part of business combinations in prior years and were determined at the respective acquisition dates, being the differences between the purchase considerations and the fair values of net identifiable assets of acquirees.

The Group's goodwill is mainly attributable to the following CGUs:

| | 2024<br>RMB'000 | 2023<br>RMB'000 |
|---|---|---|
| Goodwill attributable to the following CGUs: | | |
| – Relating to health care operations which have been allocated in Healthcare Operations Segment | **490,387** | 490,387 |
| – Relating to property management operations which have been allocated in in Property Management Segment | **140,657** | 165,035 |
| – Relating to trading of construction machinery and financial services operations, respectively, which have been allocated in Others Segment | **94,387** | 94,387 |
| – Relating to sports operations which have been allocated in Cultural Centre Operations Segment | **15,254** | 15,254 |
| – Relating to cinema operations which have been allocated in Cultural Centre Operations Segment | **286** | 286 |
| | **740,971** | 765,349 |

**Impairment test for goodwill**

The Group performed the impairment assessment of the Group's goodwill as at the end of the reporting date.

In determining the impairment assessments, the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessments. The management also works closely with the independent professional qualified valuer to establish the appropriate valuation techniques, key assumptions, inputs and data to the model.

For the purpose of impairment testing, the recoverable amounts for the cash generating unit were determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows at the growth rates stated below and the valuation conducted by an independent valuer and approved by the directors of the Company. The growth rates reflect the long-term average growth rates for the service lines of the cash generating unit.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 21. GOODWILL AND INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(c) Goodwill (Continued)

**Impairment test for goodwill (Continued)**

The following table sets forth the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill as at 31 December 2024 and 31 December 2023 for the material segments:

| | 2024 | 2023 |
|---|---|---|
| ***Healthcare segment*** | | |
| – Average growth rate within the five-year period | **15% per annum** | 15% per annum |
| – Terminal growth rate | **3% per annum** | 3% per annum |
| – Pre-tax discount rate | **12%** | 15% |
| ***Property management segment*** | | |
| – Average growth rate within the five-year period | **0%-11% per annum** | 0% – 11% per annum |
| – Terminal growth rate | **2% per annum** | 2% per annum |
| – Pre-tax discount rate | **14%** | 14% |

The recoverable amount of the CGU is determined by the management based on value-in-use calculation. These calculations used the five-year cash flow projections which are based on budgets approved by the management and the extrapolated growth rate beyond the five-year periods. The determination of pre-tax discount rates have taken into account using risk-free rate, the market returns and CGU specific factors.

Management determines growth rate based on past performance and its expectations for the market development. The terminal growth rate applied beyond the budget period is estimated based on industry forecast. The discount rate used is pre-tax and reflects specific risks relating to the CGU.

The key assumptions are annual growth rates, estimated future selling prices and direct costs which are estimated based on past practices and expectations of future changes in the market. The management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of CGU to exceed the aggregate recoverable amount of CGU.

The recoverable amounts of the subsidiaries acquired are calculated based on value in use ("VIU") exceeded its carrying value except for Ningbo Langtong Property Service Company Limited ("Ningbo Langtong") attributable to the Property Management Segment.

For the Property Management Segment, the recoverable amounts of the subsidiaries acquired are calculated based on value in use ("VIU") exceeded their carrying amounts except for the cash general unit relating to Ningbo Langtong. Ningbo Langtong is principally engaged in the provision of property management services to industrial and commercial properties located mainly in Ningbo City, Zhejiang Province. In view of severe competition in commercial property management service sector, Ningbo Langtong started to incur significant loss in the current year. After the management of the Company assessed the recoverable amount of Ningbo Langtong, the management decided to fully impair the goodwill attributable to Ningbo Langtong for the year ended 31 December 2024. An impairment loss amounted to approximately RMB24,378,000 which was charged to the profit or loss for the current year (2023: nil).

For the goodwill attributable to other segments, based on the result of the assessment, the management of the Group determined that the recoverable amounts of the other cash generating units are higher than their carrying amounts and thus, no impairment loss was recognised for the year ended 31 December 2024 (2023: nil).

The management of the Group believes that any reasonably possible changes in the key estimation of the VIU calculations would not cause the carrying amounts to exceed its recoverable amounts.

## 22. INVESTMENTS IN ASSOCIATES

| | 2024 RMB'000 | 2023 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 (note (ii) below) | **–** | 534,142 |

The movements of the Group's investments in associates for the years ended 31 December 2024 and 31 December 2023 are as following:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| As at 1 January | **22,254,794** | 25,155,266 |
| Impairment losses recognised | **(252,353)** | (397,030) |
| Additions | **144** | 420,285 |
| Deregistration | **(4,066,166)** | (1,937) |
| Disposals | **(261,598)** | – |
| Capital reduction | **(1,177,027)** | – |
| Share of results of associates | **(2,121,921)** | (2,919,188) |
| Share of other comprehensive income (expenses) of associates | **5,640** | (2,602) |
| As at 31 December | **14,381,513** | 22,254,794 |

As at 31 December 2024 and 31 December 2023, the Group has no share of capital commitments or contingent liability in relation to the Group's associates.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

### 22. INVESTMENTS IN ASSOCIATES (Continued)

Set out below are details of associates of the Group as at 31 December 2024 and 31 December 2023 which, in the opinion of the directors, are material to the Group:

| Name of entity | Place of business/ Country of incorporation | Particular of issued and paid-in capital | Proportion of the issued capital/ interest held by the Group | Principal activity |
|---|---|---|---|---|
| 福州金鵬盛天房地產開發有限公司 (Fuzhou Jinpeng Sheng Tian Property Development Co., Ltd.#, "Fuzhou Jinpeng") (note (i) below) | The PRC | RMB50,000,000 (2023: RMB50,000,000) | N/A (2023: 49%) | Property development |
| 廣東佳兆業佳雲科技股份有限公司 (Kaisa JiaYun Technology Inc.#, "JiaYun Technology") (note (ii) below) | The PRC | RMB634,555,224 (2023: RMB634,555,224) | N/A (2023: 21.31%) | Internet marketing |
| 福州鑫地源房地產開發有限公司 (Fuzhou Xin Di Yuan Property Development Co., Ltd.#, "Xin Di Yuan") (note (i) below) | The PRC | RMB50,000,000 (2023: RMB50,000,000) | N/A (2023: 49%) | Property development |
| 西部信託 – 鳳凰1號重組服務信託 – 深圳市城開信銀投資有限公司 (Western Trust Co., Ltd. – No.1 Phoenix Restructuring Service Trust – Shenzhen Chengkai Xinyin Investment Co., Ltd.#, "Trust and Xinyin") | The PRC | Class A: RMB15,653,320,000; Class B: RMB1,500,000,000; and Class C: RMB7,598,168,224 (2023: Class A: RMB15,653,320,000; Class B: RMB1,500,000,000; and Class C: RMB7,598,168,224) | Class C: RMB7,598,168,224 (2023: Class C: RMB7,598,168,224) | Property development |

## 22. INVESTMENTS IN ASSOCIATES (Continued)

| Name of entity | Place of business/ Country of incorporation | Particular of issued and paid-in capital | Proportion of the issued capital/ interest held by the Group | Principal activity |
|---|---|---|---|---|
| 南京正業置業發展有限公司 (Nanjing Zhengye Property Development Co., Ltd.#, "Nanjing Zhengye") (note (iii) below) | The PRC | RMB20,000,000 (2023: RMB2,419,440,450) | 49% (2023: 49%) | Property development |

# The English translation of the name of the company established in the PRC is for reference only. The official name of the company is in Chinese.

Notes:

(i) Deregistration of associates

During the year ended 31 December 2024, two associates of the Group, namely Fuzhou Jinpeng and Xin Di Yuan had been deregistered and the loss of deregistration of these two associates of RMB834,000 (2023: RMB1,937,000) was recognised that was charged to the profit or loss for the year.

(ii) Disposal of JiaYun Technology

廣東佳兆業佳雲科技股份有限公司 Kaisa JiaYun Technology Inc. ("JiaYun Technology") is a former associate of the Company which is mainly engaged in internet marketing and its shares are listed on the SZSE. As at 31 December 2023, the fair value of the Group's equity interest in JiaYun Technology amounted to RMB534,142,000. The fair value was determined based on the market prices available on the respective stock exchanges, which are level 1 inputs in accordance with HKFRS 13 Fair value measurement.

As at 31 December 2023, 101,419,425 shares of JiaYun Technology were pledged as collaterals for the Group's borrowings (Note 35).

During the year ended 31 December 2024, the Group disposed of its entire equity interest in JiaYun Technology. Prior to the disposal, the management of the Company assessed the impairment loss on its investment in this associate with reference to the fair value of the shares of JiaYun Technology on SZSE and thus, an impairment loss of approximately RMB252,353,000 was recognised that was charged to the profit or loss for the year. Thus, no significant loss has been recognised upon the disposal of this associate for the year thereon.

(iii) Capital reduction of Nanjing Zhengye

During the year ended 31 December 2024, Nanjing Zhengye implemented a capital restructuring and thus, its registered paid-in capital was reduced to RMB20,000,000 and thus, the amount attributable to the capital reduction of approximately RMB1,177,027,000 has been offset with other payables to the Group for the year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 22. INVESTMENTS IN ASSOCIATES (Continued)

The following tables illustrate the summarised financial information of material associates of the Group as at the end of each reporting period. Such financial information has been adjusted to reflect the fair values of identifiable assets and liabilities of the associates at the completion dates of the acquisitions by the Group and reconciled to the carrying amount in the consolidated financial statements.

| | Trust and Xinyin<br>RMB'000 | Nanjing Zhengye<br>RMB'000 | Fuzhou Jinpeng<br>RMB'000 | JiaYun Technology<br>RMB'000 | Xin Di Yuan<br>RMB'000 |
|---|---|---|---|---|---|
| **As at 31 December 2023** | | | | | |
| Current assets | 25,173,440 | 6,927,065 | 5,098,733 | 508,919 | 3,199,585 |
| Non-current assets | 12,965,150 | – | – | 145,410 | – |
| Current liabilities | (2,857,033) | (4,444,239) | (20) | (189,074) | – |
| Non-current liabilities | (2,470,037) | – | – | (45,719) | – |
| Net assets | 32,811,520 | 2,482,826 | 5,098,713 | 419,536 | 3,199,585 |
| Reconciliation to the Group's interest in the associates: | | | | | |
| Proportion of the Group's ownership | N/A* | 49% | 49% | 21.31% | 49% |
| Carrying amount of the investment | 15,310,232 | 1,216,584 | 2,498,369 | 89,403 | 1,567,797 |
| Goodwill | – | – | – | 444,739 | – |
| Carrying amount of the Group's investment | 15,130,232 | 1,216,584 | 2,498,369 | 534,142 | 1,567,797 |
| **Year ended 31 December 2023** | | | | | |
| Revenue for the year | 2,079,762 | 3,315,106 | – | 406,802 | – |
| Total expenses for the year | (5,159,022) | (2,998,915) | (1) | (502,716) | (1) |
| (Loss) profit for the year | (3,079,260) | 364,959 | (1) | (95,914) | (1) |
| Other comprehensive income (expenses) for the year | 4,076 | – | – | (9,866) | – |
| Total comprehensive (expenses) income for the year | (3,075,184) | 364,959 | (1) | (105,780) | (1) |

## 22. INVESTMENTS IN ASSOCIATES (Continued)

| | Trust and Xinyin RMB'000 | Nanjing Zhengye RMB'000 | Fuzhou Jinpeng RMB'000 | JiaYun Technology RMB'000 | Xin Di Yuan RMB'000 |
|---|---|---|---|---|---|
| **As at 31 December 2024** | | | | | |
| Current assets | **23,705,726** | **721,667** | **N/A** | **N/A** | **N/A** |
| Non-current assets | **12,725,902** | **–** | **N/A** | **N/A** | **N/A** |
| Current liabilities | **(3,161,516)** | **(592,166)** | **N/A** | **N/A** | **N/A** |
| Non-current liabilities | **(2,215,113)** | **–** | **N/A** | **N/A** | **N/A** |
| Net assets | **31,054,999** | **129,501** | **N/A** | **N/A** | **N/A** |
| Reconciliation to the Group's interest in the associates: | | | | | |
| Proportion of the Group's ownership | **N/A*** | **49%** | **N/A** | **N/A** | **N/A** |
| Carrying amount of the investment | **13,263,363** | **63,455** | **N/A** | **N/A** | **N/A** |
| Carrying amount of the Group's investment | **13,263,363** | **63,455** | **N/A** | **N/A** | **N/A** |
| **Year ended 31 December 2024** | | | | | |
| Revenue for the year/period | **2,276,351** | **131,178** | **–**** | **754,648***** | **–**** |
| Total expenses for the year/period | **(4,335,138)** | **(194,275)** | **–**** | **(855,901)***** | **–**** |
| Loss for the year/period | **(1,871,230)** | **(63,097)** | **–**** | **(101,005)***** | **–**** |
| Other comprehensive income for the year/period | **4,361** | **–** | **–**** | **6,255***** | **–**** |
| Total comprehensive expenses for the year/period | **(1,866,869)** | **(63,097)** | **–**** | **(94,750)***** | **–**** |

* Class C owners are entitled to the remaining interests arising from the sale of Properties after deducting the returns entitled by Class A and Class B owners.

** Since Fuzhou Jinpeng and Xin Di Yuan were deregistered during the year ended 31 December 2024 and further, the companies did not have any significant transactions during the year and thus, no financial information was presented thereon.

*** Up to the date of disposal by the Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 22. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the aggregate summarised financial information of the Group's associates that are not individually material:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| The Group's share of results of the Group's associates that are not individually material for the period/year since acquisitions/capital injection | **(198,249)** | 313 |
| Aggregate carrying amounts of the Group's associates that are not individually material | **1,054,695** | 1,307,670 |

### Impairment assessment

At the end of the reporting period, the Group performed impairment assessment on the Group's investments in associates in relation to those investments that have impairment indicators, after taking into account the financial performance and financial position of the associates and the unfavorable business outlook of the associates.

The Group performed the assessment of the recoverable amount (the higher of value in use and fair value less costs of disposal) of the relevant associate when there are any indicators for an impairment of an associate.

In determining the impairment assessments, the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessments. The management established the appropriate valuation techniques, key assumptions, inputs and data to the model.

For the purpose of impairment testing, the recoverable amounts for the cash generating unit were determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows at the growth rates.

During the year ended 31 December 2024, the Group recognised an impairment loss of approximately RMB252,353,000 that was charged to profit or loss as described above. Further, based on the assessment for the year ended 31 December 2024, the directors consider that the recoverable amount of Trust and Xinyin is calculated based on value in use exceeded its carrying amount and thus, no impairment loss was recognised for the year.

## 23. INVESTMENTS IN JOINT VENTURES

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| As 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 |
| As at 31 December | **7,446,149** | 8,450,839 |

## 23. INVESTMENTS IN JOINT VENTURES (Continued)

Set out below are details of joint ventures of the Group as at 31 December 2024 and 2023 which, in the opinion of the directors, are material to the Group.

| Name of entity | Place of business/ Country of incorporation | Particular of issued and paid-up capital | Proportion of the issued capital/ interest held by the Group | Principal activity |
|---|---|---|---|---|
| 惠州市愷樂居置業有限公司 (Huizhou City Kaileju Company Limited#, "Kaileju") | The PRC | RMB40,000,000 (2023: RMB40,000,000) | 51% (2023: 51%) | Property development |
| 廣州南天商業大廣場建設發展有限公司 (Guangzhou Nantian Company Limited#, "Nantian") | The PRC | RMB10,000,000 (2023: RMB10,000,000) | 70% (2023: 70%) | Property leasing and development |
| 廣東佳盛房地產開發有限公司 (Guangdong Jiasheng Property Development Co., Ltd.#, "Jiasheng") | The PRC | RMB560,000,000 (2023: RMB560,000,000) | 55% (2023: 55%) | Property development |
| 汕頭市佳晟房地產開發有限公司 (Shantou Jiasheng Property Development Co., Ltd.#, "Shantou Jiasheng") | The PRC | RMB16,666,700 (2023:16,666,700) | *N/A (2023:60%) | Property development |

# The English translation of the name of the company established in the PRC is for reference only. The official name of the company is in Chinese.

* During the year ended 31 December 2024, the Group acquired additional interests in Shantou Jiasheng from other independent shareholder in amounting to RMB1 in aggregate. Upon completion the acquisitions, the joint venture had become a subsidiary of the Group (note 43(b)).

All the joint ventures of the Group are unlisted corporate entities with no quoted market prices available.

Although the Group has over 50% equity interests in the above joint ventures, in accordance with the relevant joint arrangements, the decisions about relevant activities of the above entities require unanimous consent of the parties sharing control, accordingly they are classified as joint ventures of the Group.

As at 31 December 2024 and 31 December 2023, the Group has no share of capital commitments or contingent liability in relation to the Group's joint ventures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

### 23. INVESTMENTS IN JOINT VENTURES (Continued)

The following tables illustrate the summarised financial information of material joint ventures of the Group as at the end of each reporting period. Such financial information has been adjusted to reflect the fair values of identifiable assets and liabilities of the joint ventures as at the completion dates of acquisitions by the Group and reconciled to the carrying amount in the consolidated financial statements, if appropriate.

| | Nantian RMB'000 | Kaileju RMB'000 | Jiasheng RMB'000 |
|---|---|---|---|
| **As at 31 December 2023** | | | |
| Current assets | 6,876,396 | 3,756,477 | 10,327,367 |
| Non-current assets | – | 2,594 | 540 |
| Current liabilities | (4,916,569) | (836,386) | (1,472,712) |
| Non-current liabilities | – | (721,671) | (2,824,380) |
| Net assets | 1,959,827 | 2,201,014 | 6,030,815 |
| The above amounts of assets and liabilities include the following: | | | |
| Cash and cash equivalents | 30,061 | 43,213 | 839,687 |
| Non-current financial liabilities (excluding trade and other payables and provision) | – | 721,671 | 2,824,380 |
| Current financial liabilities (excluding trade and other payables and provisions) | (401,170) | (52,566) | – |
| Reconciliation to the Group's interest in the joint ventures | | | |
| Proportion to the Group's Ownership | 70% | 51% | 55% |
| Carrying amount of the Group's investment | 1,371,879 | 1,122,517 | 3,316,948 |
| **Year ended 31 December 2023** | | | |
| Revenue | 284 | 1,893,055 | – |
| (Loss) profit and total comprehensive (expenses) income for the year | (5,032) | 322,838 | (39,742) |
| The above profit and loss for the year including the following: | | | |
| Interest expenses | – | – | – |
| Depreciation | – | – | – |
| Income tax expenses | – | 122,762 | – |

## 23. INVESTMENTS IN JOINT VENTURES (Continued)

| | Nantian RMB'000 | Kaileju RMB'000 | Jiasheng RMB'000 |
|---|---|---|---|
| **As at 31 December 2024** | | | |
| Current assets | **6,817,531** | **2,009,794** | **10,826,535** |
| Non-current assets | **–** | **25,113** | **227** |
| Current liabilities | **(4,859,242)** | **(832,546)** | **(3,394,762)** |
| Non-current liabilities | **–** | **(750,384)** | **(1,392,300)** |
| Net assets | **1,958,289** | **451,977** | **6,039,700** |
| Reconciliation to the Group's interest in the joint ventures | | | |
| Proportion to the Group's Ownership | **70%** | **51%** | **55%** |
| Carrying amount of the Group's investment | **1,370,802** | **230,508** | **3,321,835** |
| **Year ended 31 December 2024** | | | |
| Revenue | **284** | **36,143** | **–** |
| Total expenses for the year | **(1,822)** | **(1,785,180)** | **–** |
| (Loss) profit and total comprehensive (expenses) income for the year | **(1,538)** | **(1,749,037)** | **8,885** |

The following table illustrate the aggregate financial information of the Group's joint ventures that are not individually material:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| The Group's share of results of the Group's joint ventures that are not individually material for the year/period since acquisition/capital injection to obtain joint control | **(76,840)** | 148,951 |
| Aggregate carrying amounts of the Group's joint ventures that are not individually material | **2,523,004** | 2,639,495 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 23. INVESTMENTS IN JOINT VENTURES (Continued)

### Impairment assessment

At the end of the reporting period, the Group performed impairment assessment on the Group's investments in joint ventures in relation to those investments that have impairment indicators, after taking into account the financial performance and financial position of the joint ventures and the unfavorable business outlook of the joint ventures.

The Group performed the assessment of the recoverable amount (the higher of value in use a fair value less cost of disposal) of the relevant joint ventures when there are any indicators for an impairment of a joint venture.

In determining the impairment assessments, the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessments. The management established the appropriate valuation techniques, key assumptions, inputs and data to the model.

For the purpose of impairment testing, the recoverable amounts for the cash generating unit were determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows at the growth.

Based on the assessment, for the year ended 31 December 2024, no impairment loss has been recognised on the Group's investments in associates (2023: nil).

## 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | Notes | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|---|
| **Listed securities:** | | | |
| Equity securities – inside Hong Kong | (a) | **216,236** | – |
| Equity securities – outside Hong Kong | (a) | **691,274** | 967,978 |
| **Unlisted securities:** | | | |
| Equity securities or funds – outside Hong Kong | (b) | **1,242,569** | 4,378,598 |
| Other financial assets – Contractual rights on Properties | (c) | **94,421** | 184,246 |
| | | **2,244,500** | 5,530,822 |
| Analysed as: | | | |
| – Current | | **907,510** | 967,978 |
| – Non-current | | **1,336,990** | 4,562,844 |
| | | **2,244,500** | 5,530,822 |

The Group's financial assets at fair value through profit or loss are stated at their fair value at the end of the reporting date.

## 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes:

### (a) Equity securities – Listed

The fair values measurement of these investments is classified as level 1 fair value measurement which are based on the quoted price available from the relevant stock exchanges.

During the year ended 31 December 2024, the Group's unlisted funds outside Hong Kong had returned its capital through the transfer of the listed securities in Hong Kong to the Group. As at 31 December 2024, the fair value of listed securities in Hong Kong were approximately RMB216,236,000.

For the year ended 31 December 2024, the Group recognised a net fair value loss of RMB199,342,000 (2023: fair value gain RMB106,051,000) that was charged to profit or loss for the year.

### (b) Equity securities or funds – outside Hong Kong

The unlisted securities comprise:

(i) As a result of a decision made by the High People's Court of Guangdong Province ("the Court") regarding a dispute over the ownership of the Group's investment in the Unlisted Entity, it was judged by the Court that the seller shall refund an amount of approximately RMB3,736 million, representing the Group's initial investment cost. As at 31 December 2023, the fair value of the Group's interest in the Unlisted Entity was approximately RMB2,913 million and the changes in the fair value of the Group's interest in the Unlisted Entity was charged to the profit or loss in prior years.

In 2024, the carrying amount of the Group's interest in the Unlisted Entity of approximately RMB2,913 million had been reclassified to "Other receivables". The directors of the Company will continue to take appropriate actions to have the monies refunded, which are expected to be within 12 months from the end of the reporting period.

(ii) Unlisted funds with the aggregate carrying amount as at 31 December 2024 amounted to RMB993,480,000 (2023: RMB1,170,656,000).

For the year ended 31 December 2024, the Group recognised a net fair value gain of RMB60,051,000 (2023: net fair value loss RMB248,190,000) that was credited to profit or loss for the year.

(iii) Other unlisted investments in private enterprises as at 31 December 2024 amounting to RMB249,089,000 (2023: RMB294,686,000) that are mainly engaged in investment and operation of projects.

For the year ended 31 December 2024, the Group recognised a net fair value loss of RMB24,049,000 (2023: RMB1,009,397,000) that was charged to profit or loss for the year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

**(c) Other financial assets – Contractual rights on Properties**

The amount represents consideration paid for an exclusive right to sell certain non-residential properties in the PRC for a five-year period since December 2021. Since the contractual arrangements give the Group a contractual right to receive cash which are variable, the asset is considered as a financial asset at FVTPL.

For the year ended 31 December 2024, a fair value loss of RMB89,825,000 (2023: RMB143,426,000) has been recognised in profit or loss for the year.

The directors of the Company consider that the Group did not have any significant influence or joint control on any of the above investments and further, the Group did not participate in the policy-making process and the operating and financial decisions of these unlisted investments as at and 31 December 2024 and 31 December 2023 and accordingly, the Group accounted for these investments as financial assets at fair value through profit or loss.

Information regarding the fair value measurements of the Group's investments in listed and unlisted securities has been described in Note 49(b).

## 25. PROPERTIES UNDER DEVELOPMENT

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| *Amount comprises:* | | |
| Construction costs | **11,296,628** | 12,562,929 |
| Interest capitalised | **29,831,722** | 18,699,325 |
| Land use rights | **41,059,727** | 43,674,601 |
| | **82,188,077** | 74,936,855 |
| Less: Impairment | **(8,529,824)** | (3,439,068) |
| | **73,658,253** | 71,497,787 |

The properties under development were located in the PRC and are stated at lower of cost and net realisable value.

As at 31 December 2024, the net aggregate amount of properties under development of approximately RMB67,078,835,000 (2023: RMB67,800,385,000) were pledged as collateral for the Group's borrowings (Note 35).

## 26. COMPLETED PROPERTIES HELD FOR SALE

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Completed properties held for sale | **22,172,370** | 21,306,897 |
| Less: Impairment | **(4,640,372)** | (822,797) |
| | **17,531,998** | 20,484,100 |
| Properties expected to be realised: | | |
| – Within one year from the end of the reporting period | **16,497,742** | 17,890,405 |
| – After one year from the end of the reporting period | **1,034,256** | 2,593,695 |
| | **17,531,998** | 20,484,100 |

The completed properties for sale were located in the PRC under medium-term and long-term lease. Completed properties held for sale which are expected to be recovered in more than twelve months after the reporting date are classified under current assets as it is expected to be realised in the Group's normal operating cycle.

As at 31 December 2024, the net aggregate amount of completed properties held for sale of approximately RMB11,912,059,000 (2023: RMB6,947,056,000) were pledged as collateral for the Group's borrowings (Note 35).

## 27. INVENTORIES

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| *Amount comprises:* | | |
| Raw materials | **96,431** | 101,215 |
| Work in progress | **94,440** | 87,139 |
| Finished goods | **195,648** | 190,403 |
| | **386,519** | 378,757 |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 28. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

| | Notes | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| *Trade receivables:* | | | |
| Trade receivables | (a) | **1,762,498** | 2,042,751 |
| Less: Provision for ECL allowances | | **(501,956)** | (193,708) |
| | | **1,260,542** | 1,849,043 |
| *Prepayments:* | | | |
| Prepayments | (b) | **1,660,706** | 1,880,346 |
| Prepaid other taxes | | **1,267,109** | 1,269,832 |
| | | **2,927,815** | 3,150,178 |
| *Deposits and other receivables* | | | |
| Other receivables | (c) | **15,780,099** | 12,222,207 |
| Other deposits | (d) | **1,551,991** | 1,562,110 |
| Amounts due from associates | (e) | **3,018,336** | 11,426,651 |
| Amounts due from joint ventures | (e) | **15,393,323** | 15,708,544 |
| Amounts due from non-controlling interests of subsidiaries | (e) | **1,672,167** | 1,676,944 |
| | | **37,415,916** | 42,596,456 |
| Less: Provision for ECL allowances | | **(4,102,894)** | (3,080,163) |
| | | **33,313,022** | 39,516,293 |
| | | **37,501,379** | 44,515,514 |
| Analysed as: | | | |
| – Current | | **37,497,730** | 44,486,906 |
| – Non-current | | **3,649** | 28,608 |
| | | **37,501,379** | 44,515,514 |

## 28. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes:

### (a) 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 RMB'000 | 2023 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 ECL allowances | **(501,956)** | (193,708) |
| | **1,260,542** | 1,849,043 |

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9 Financial Instruments. As at 31 December 2024, a provision of RMB501,956,000 (2023: RMB193,708,000) was made against the gross amount of trade receivables.

Generally, no credit terms were granted to the customers of residential properties. For the Group's operation other than property development, the Group generally grant 0-90 days credit term to customers. There is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers as at 31 December 2024 and 2023.

The Group did not hold any collateral as security or other credit enhancements over the trade receivable.

### (b) Prepayments

Prepayments mainly represent prepayments for purchase of construction materials and services.

### (c) Deposits and other receivables – Other receivables

These receivables before impairment mainly include the interest receivables, amounts to be refunded by the government in relation to the land acquisitions in the PRC, a receivable which has been reclassified from a financial asset at fair value through profit or loss as described in note 24(b)(i) with the gross carrying amount of RMB2,913 million, costs incurred as payments to independent third parties for the purpose of securing and acquiring property development projects and certain loan advances.

Included in other receivables, those which are repayable over 1 year from the end of the reporting period amounting to RMB3,649,000 (2023: RMB28,608,000), which are classified as non-current assets.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 28. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

### (d) Deposits and other receivables – Other deposits

Details of other deposits are as follows:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Deposit paid for acquisitions of land use rights for property development | **56,700** | 80,700 |
| Refundable deposit to redevelopment project partner | **1,048,634** | 1,008,211 |
| Other | **446,657** | 473,199 |
| | **1,551,991** | 1,562,110 |

The "Refundable deposit to redevelopment project partner" represents deposits paid by the Group for tendering redevelopment projects in the PRC, which is refundable when the tendering process were not being accepted.

### (e) Deposits and other receivables – Amounts due from associates, amounts due from joint ventures and amounts due from non-controlling interests of subsidiaries

The balances are unsecured, interest-free and repayable on demand.

As at 31 December 2024 and 31 December 2023, the carrying amounts of debtors, deposits, other receivables, amounts due from associates, amounts due from joint ventures and amounts due from non-controlling interests of subsidiaries approximate their fair values.

The carrying amounts of the Group's receivables are mainly denominated in RMB and USD.

Impairment losses in respect of debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) are recorded using an allowance account unless the Group is satisfied that recovery of the amounts is remote, in which case the impairment losses are written off against debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) directly.

The movement in the allowance for impairment of debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) is disclosed in note 49.

The maximum credit risk exposure is the gross amount shown on the table above.

## 29. DEPOSITS FOR LAND ACQUISITION

Deposits for land acquisition arise from the acquisition of land in various regions in the PRC. These deposits would be converted into land use rights when the rights to use the lands have been obtained. The carrying amounts of the Group's deposits for land acquisition are mainly denominated in RMB.

## 30. PREPAYMENTS FOR PROPOSED DEVELOPMENT PROJECTS

The Group has entered into a number of contractual arrangements relating to redevelopment of certain areas and other development projects with independent third parties and has made prepayments in accordance with the terms of these respective contracts. These prepayments would be converted into properties under development upon the completion of the contracts.

For the year ended 31 December 2023, as requested by the counterparties, the Group had entered into termination agreements to terminate several development projects, as a result, the Group recognised a loss of RMB1,128,201,000 in the profit of loss.

## 31. RESTRICTED BANK BALANCES AND CASH AND CASH AND BANK BALANCES

| | Notes | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|---|
| Restricted bank balances and cash | (a) and (b) | **1,692,711** | 2,406,284 |
| Cash and bank balances | (b) | **697,649** | 994,771 |
| | | **2,390,360** | 3,401,055 |

Notes:

**(a) Restricted bank balances and cash**

In accordance with relevant documents issued by local State-Owned Land and Resource Bureau, certain subsidiaries of the Group engaged in property development are required to place in designated bank accounts certain amount of proceeds from pre-completion sale of properties as guaranteed deposits for constructions of related properties. The deposits can only be used for purchases of construction materials and construction of the relevant property projects when approvals are obtained from local State-Owned Land and Resource Bureau.

**(b) Others**

As at 31 December 2024, such guaranteed deposits amounted to RMB1,191,734,000 (2023: RMB1,755,056,000), which will be released after the construction of the relevant properties is completed or the related property ownership certificates are issued, whichever is earlier.

As at 31 December 2024, the Group's cash of RMB88,376,000 (2023: RMB142,746,000) was deposited in certain banks as guaranteed deposits for the benefit of mortgage loan facilities (Note 35) granted by the banks to the purchasers of the Group's properties.

As at 31 December 2024, the Group's cash of RMB183,155,000 (2023: RMB198,031,000) was deposited in certain banks as guaranteed deposits for borrowings (Note 35).

As at 31 December 2024, the Group's cash of RMB229,446,000 (2023: RMB224,282,000) was deposited in certain banks as guaranteed deposits for issuance of bills payables and outstanding litigation and arbitration cases of certain subsidiaries of the Group.

The effective interest rates and maturities of bank deposits in the PRC are ranged from 0.1% to 1.65% (2023: 1.15% to 1.65%) per annum and no maturities (2023: no maturities) as at 31 December 2024.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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## 31. RESTRICTED BANK BALANCES AND CASH AND CASH AND BANK BALANCES (Continued)
Notes: (Continued)

**(b) Others** (Continued)

Restricted bank balances and cash and cash and bank balances are denominated in the following currencies:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Denominated in – RMB | **2,313,815** | 3,239,491 |
| Denominated in – HKD | **28,937** | 77,759 |
| Denominated in – USD | **47,608** | 83,805 |
| | **2,390,360** | 3,401,055 |

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and withdraw from the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

For the years ended 31 December 2024 and 31 December 2023, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant as the Group only transacts with reputable banks with high credit ratings assigned by international credit rating agencies

## 32. CONTRACT LIABILITIES

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Contract liabilities | **18,520,388** | 20,325,482 |

The amount represents deposits and instalments received on properties sold to independent third parties after the issuance of pre-sale certificates by local government authorities.

### Revenue recognised in relation to contract liabilities

Revenue recognised that was included in the contract liabilities balance as at 1 January 2024 is approximately RMB8,782,810,000 (2023: RMB21,883,451,000) during the year ended 31 December 2024.

### Unsatisfied contracts related to the sales of properties

As at 31 December 2024, approximately RMB9,970,831,000 (2023: RMB8,922,756,000) of unsatisfied performance obligations resulting from the property sales are expected to be recognised within twelve months period, whereas approximately RMB8,187,353,000 (2023: RMB11,050,043,000) of unsatisfied performance obligations resulting from the property sales are expected to be recognised after twelve months.

## 33. OTHER PAYABLES

| | Notes | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| Other payables and accruals | (a) | **6,772,135** | 8,046,535 |
| Accrued interest | | **41,525,309** | 27,869,557 |
| Accrued staff costs | | **173,516** | 146,019 |
| Consideration payables related to acquisitions of subsidiaries | | **100,627** | 115,979 |
| Consideration payables related to acquisitions of associates and joint ventures | | **629,730** | 598,180 |
| Deed tax and other taxes payables | | **3,598,374** | 2,889,391 |
| Deposits received | | **540,250** | 565,871 |
| Provision for financial guarantee contracts | | **2,355,385** | 2,427,710 |
| Amounts due to associates | (b) | **1,063,227** | 1,640,493 |
| Amounts due to joint ventures | (b) | **4,464,817** | 1,474,668 |
| Amounts due to non-controlling interests of subsidiaries | (b) | **704,880** | 705,584 |
| | | **61,928,250** | 46,479,987 |
| Analysed as: | | | |
| – Current | | **61,923,817** | 46,474,111 |
| – Non-current | | **4,433** | 5,876 |
| | | **61,928,250** | 46,479,987 |

Notes:

**(a) Other payables and accruals**

Other payables and accruals mainly included deposits received from construction companies, accrued operating expenses, advances from third parties for operations and amounts due to former shareholders in relation to acquired subsidiaries which are interest-free, unsecured and repayable on demand.

**(b) Amounts due to associates, amounts due to joint ventures and amounts due to non-controlling interests of subsidiaries**

At as 31 December 2024 and 31 December 2023, the amounts due to associates, amounts due to joint ventures and amounts due to non-controlling interests of subsidiaries are interest-free, unsecured and repayable on demand.

**(c) Others**

The carrying amounts of other payables are denominated in RMB and approximate to their fair values.

## 34. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Total minimum lease payments: | | |
| Due within one year | **170,758** | 162,231 |
| Due in the second to fifth year | **363,401** | 400,405 |
| Due after the fifth year | **112,816** | 97,900 |
| | **646,975** | 660,536 |
| Future finance charges on lease liabilities | **(75,965)** | (83,731) |
| Present value of lease liabilities | **571,010** | 576,805 |
| Present value of minimum lease payments | | |
| Due within one year | **145,110** | 135,416 |
| Due in the second to fifth year | **326,106** | 351,931 |
| Due after the fifth year | **99,794** | 89,458 |
| | **571,010** | 576,805 |
| Less: Portion due within one year included under current liabilities | **(145,110)** | (135,416) |
| Portion due after one year included under non-current liabilities | **425,900** | 441,389 |

As at 31 December 2024, the weighted average lessee's incremental borrowing rate applied was 7.12% (2023: 7.13%).

During the year ended 31 December 2024, the total cash outflows for the leases and short-term leases and low-value assets are of approximately RMB39,049,000 (2023: RMB107,064,000).

For both years, the Group leases various motor vehicles, machinery, office equipment and properties (including warehouse, staff quarters, offices and etc.) for its operations. Lease contracts are entered into for fixed term of 1 year to 18 years (2023: 1 year to 18 years) but may have extension and termination options. Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group considered that no extension option or termination option would be exercised at the lease commencement date.

During the year ended 31 December 2024, the Group entered into certain lease contracts in which additions of right-of-use assets and lease liabilities amounting to RMB97,624,000 (2023: RMB98,146,000) was recognised at the lease commencement date.

## 35. BORROWINGS

| | Notes | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|---|
| Borrowings comprise: | | | |
| – Senior Notes | (a) | **83,273,840** | 82,049,361 |
| – Bank borrowings | (b) | **20,334,066** | 19,097,760 |
| – Other borrowings | (b) | **31,241,875** | 32,253,115 |
| – Loan from a related company | (c) | **108,781** | 108,781 |
| – Loan from the controlling shareholder of the Company | (d) | **115,000** | 115,000 |
| | | **135,073,562** | 133,624,017 |
| The Group's borrowings were repayable as follows: | | | |
| Within one year or on demand | | **118,077,834** | 117,051,570 |
| More than one year, but not more than two years | | **4,235,523** | 1,837,258 |
| More than two years, but not more than five years | | **10,728,605** | 4,112,298 |
| More than five years | | **2,031,600** | 10,622,891 |
| | | **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-rated bank and other borrowings | | **110,234,884** | 109,780,548 |
| – Variable-rated 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 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 35. BORROWINGS (Continued)
Notes:

### (a) Senior Notes
As at 31 December 2024 and 31 December 2023, the Group issued the following Senior Notes which are listed on the Singapore Exchange Securities Trading Limited:

| Particulars | Issue date | Par value | | | | | Maturity date |
|---|---|---|---|---|---|---|---|
| | | As at 1 January 2023 US$'000 | New issuance/ Repurchase/ repayment US$'000 | As at 31 December 2023 and 1 January 2024 US$'000 | New issuance/ Repurchase/ repayment US$'000 | As at 31 December 2024 US$'000 | |
| 2021 6.5% Notes – Tranche I ("December 2021 Notes") | 8 December 2020 | **250,000** | – | **250,000** | – | **250,000** | 7 December 2021# |
| 2021 6.5% Notes – Tranche II ("December 2021 Notes") | 22 December 2020 | **150,000** | – | **150,000** | – | **150,000** | 7 December 2021# |
| 2022 11.25% Notes – Tranche I ("April 2022 Notes") | 9 April 2019 | **350,000** | – | **350,000** | – | **350,000** | 9 April 2022# |
| 2022 11.25% Notes – Tranche II ("April 2022 Notes") | 2 July 2019 | **200,000** | – | **200,000** | – | **200,000** | 9 April 2022# |
| 2022 8.5% Notes ("June 2022 Notes") | 30 June 2017 | **1,147,000** | – | **1,147,000** | – | **1,147,000** | 30 June 2022# |
| 2022 8.65% Notes ("July 2022 Notes") | 23 July 2021 | **300,000** | – | **300,000** | – | **300,000** | 22 July 2022# |
| 2022 10.5% Notes ("September 2022 Notes") | 8 September 2021 | **300,000** | – | **300,000** | – | **300,000** | 7 September 2022# |
| 2022 11.95% Notes – Tranche I ("October 2022 Notes") | 22 October 2019 | **400,000** | – | **400,000** | – | **400,000** | 22 October 2022# |
| 2022 11.95% Notes – Tranche II ("October 2022 Notes") | 1 November 2019 | **200,000** | – | **200,000** | – | **200,000** | 22 October 2022# |
| 2023 11.5% Notes – Tranche I ("January 2023 Notes") | 30 May 2019 | **400,000** | – | **400,000** | – | **400,000** | 30 January 2023# |
| 2023 11.5% Notes – Tranche II ("January 2023 Notes") | 24 June 2019 | **300,000** | – | **300,000** | – | **300,000** | 30 January 2023# |
| 2023 10.875% Notes – Tranche I ("July 2023 Notes") | 23 July 2019 | **300,000** | – | **300,000** | – | **300,000** | 23 July 2023# |
| 2023 10.875% Notes – Tranche II ("July 2023 Notes") | 13 November 2019 | **150,000** | – | **150,000** | – | **150,000** | 23 July 2023# |
| 2023 10.875% Notes – Tranche III ("July 2023 Notes") | 26 January 2021 | **300,000** | – | **300,000** | – | **300,000** | 23 July 2023# |
| 2023 9.75% Notes – Tranche I ("September 2023 Notes") | 10 July 2020 | **400,000** | – | **400,000** | – | **400,000** | 28 September 2023# |
| 2023 9.75% Notes – Tranche II ("September 2023 Notes") | 16 February 2021 | **100,000** | – | **100,000** | – | **100,000** | 28 September 2023# |
| 2023 9.75% Notes – Tranche III ("September 2023 Notes") | 27 April 2021 | **200,000** | – | **200,000** | – | **200,000** | 28 September 2023# |
| 2023 9.75% Notes – Tranche IV ("September 2023 Notes") | 16 June 2021 | **280,000** | – | **280,000** | – | **280,000** | 28 September 2023# |
| 2023 11.95% Notes – Tranche I ("November 2023 Notes") | 12 November 2019 | **300,000** | – | **300,000** | – | **300,000** | 12 November 2023# |
| 2023 11.95% Notes – Tranche II ("November 2023 Notes") | 17 November 2020 | **200,000** | – | **200,000** | – | **200,000** | 12 November 2023# |
| 2024 9.375% Notes ("June 2024 Notes") | 30 June 2017 | **2,247,453** | – | **2,247,453** | – | **2,247,453** | 30 June 2024# |
| 2025 10.5% Notes ("January 2025 Notes") | 15 January 2020 | **500,000** | – | **500,000** | – | **500,000** | 15 January 2025 |
| 2025 11.25% Notes – Tranche I ("April 2025 Notes") | 8 July 2020 | **300,000** | – | **300,000** | – | **300,000** | 16 April 2025 |
| 2025 11.25% Notes – Tranche II ("April 2025 Notes") | 2 September 2020 | **400,000** | – | **400,000** | – | **400,000** | 16 April 2025 |
| 2025 9.95% Notes – Tranche I ("July 2025 Notes") | 23 January 2020 | **300,000** | – | **300,000** | – | **300,000** | 23 July 2025 |
| 2025 9.95% Notes – Tranche II ("July 2025 Notes") | 3 February 2021 | **200,000** | – | **200,000** | – | **200,000** | 23 July 2025 |
| 2025 11.7% Notes ("November 2025 Notes") | 11 May 2021 | **1,000,022** | – | **1,000,022** | – | **1,000,022** | 11 November 2025 |
| 2026 11.65% Notes ("June 2026 Notes") | 1 June 2021 | **300,000** | – | **300,000** | – | **300,000** | 1 June 2026 |
| 2022 6.6% Notes | 5 February 2021 | **110,000** | – | **110,000** | – | **110,000** | 4 February 2022# |
| Total (US$'000) | | **11,584,475** | – | **11,584,475** | – | **11,584,475** | |

# The Group did not repay the principal and accrued unpaid interest upon the maturity dates for respective senior notes.

## 35. BORROWINGS (Continued)

Notes: (Continued)

### (a) Senior Notes (Continued)

The major terms and conditions of the senior notes include early redemption options of the Group and the repurchase of the senior notes upon a change of control.

The senior notes are secured by the pledge of shares of the Group's subsidiaries incorporated outside the PRC, and are jointly and severally guaranteed by certain subsidiaries of the Group.

There were no movements of the Group's senior notes during the years ended 31 December 2024 and 31 December 2023.

Due to the default and/or cross-default terms and conditions set out in the relevant Senior Notes agreements as described above, as a consequence, all of the senior notes would be immediately repayable if and when requested by the lenders and thus, all the Senior Notes were classified as current liabilities as at 31 December 2024 and 31 December 2023.

### (b) Bank and other borrowings

The Group's bank and other borrowings of RMB33,603,468,000 (2023: RMB32,101,041,000) were secured by certain property, plant and equipment, investment properties, land use rights, properties under development, completed properties held for sale and restricted bank balances and cash of the Group and shares of Kaisa Prosperity Holdings Limited.

Details of the pledged assets for the Group's bank and other borrowings are as follows:

| | Notes | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|---|
| Property, plant and equipment | 17 | **2,993,930** | 2,779,885 |
| Investment properties | 19 | **8,409,800** | 9,016,710 |
| Land use rights | 20 | **194,955** | 208,767 |
| Investments in associates | 22 | **–** | 534,142 |
| Properties under development | 25 | **67,078,835** | 67,800,385 |
| Completed properties held for sale | 26 | **11,912,059** | 6,947,056 |
| Restricted bank balances and cash | 31 | **183,155** | 198,031 |
| | | **90,772,734** | 87,484,976 |

Certain bank and other borrowings are guaranteed by certain subsidiaries of the Group:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| Group companies | | |
| – Guaranteed and secured by the Group's assets | **21,668,163** | 21,130,987 |
| – Guaranteed by the Company | **28,291,202** | 28,178,544 |
| | **49,959,365** | 49,309,531 |

### (c) Loan from a related company

The amount due is unsecured, carries interest rate at 12% (2023: 12%) per annum and is repayable on demand. The related company is controlled by a substantial shareholder of the Company.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 35. BORROWINGS (Continued)

Notes: (Continued)

### (d) Loan from the controlling shareholder of the Company

The amount is unsecured, carries interest rate at 5% per annum and is repayable in June 2025. In January 2025, the maturity date of the loan was extended to January 2027.

### (e) The weighted average effective interest rates

The weighted average effective interest rates as at 31 December 2023 were as follows:

| | Current | Non-current |
|---|---|---|
| **As at 31 December 2023** | | |
| Bank borrowings | 6.46% | 6.26% |
| Other borrowings | 11.04% | 7.07% |
| Loan from the controlling shareholder of the Company | N/A | 5% |
| Senior Notes | 10.21% | N/A |
| Loan from a related company | 12.00% | N/A |

The weighted average effective interest rates as at 31 December 2024 were as follows:

| | **Current** | **Non-current** |
|---|---|---|
| **As at 31 December 2024** | | |
| Bank borrowings | **6.83%** | **6.05%** |
| Other borrowings | **10.96%** | **4.95%** |
| Loan from the controlling shareholder of the Company | **5%** | **N/A** |
| Senior Notes | **10.21%** | **N/A** |
| Loan from a related company | **12.00%** | **N/A** |

### (f) Currencies of the Group's borrowings

The amounts of the Group's borrowings are denominated in RMB except for Senior Notes and certain bank and other borrowings with aggregate amounts of RMB85,255,060,000 and RMB427,094,000 (2023: RMB83,965,897,000 and RMB488,189,000), which are denominated in US$ and HK$ respectively.

### (g) Others

As at 31 December 2024, the Group's borrowings amounting to approximately RMB114,158 million (2023: RMB105,642 million) were defaulted due to events of default of late and/or overdue payment of loan principal and/or interest and/or were cross-defaulted with other borrowings, which, as a consequence, would be immediately repayable if and when requested by the lenders.

## 36. DEFERRED INCOME TAX ASSETS AND LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| Deferred tax assets | **1,111,395** | 1,362,966 |
| Deferred tax liabilities | **(2,159,258)** | (2,436,384) |
| | **(1,047,863)** | (1,073,418) |

The movements of the deferred income tax assets and liabilities are as following:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| As at 1 January | **(1,073,418)** | (1,108,234) |
| Disposals of subsidiaries | **(1,063)** | – |
| Recognised in profit or loss | **26,618** | 34,816 |
| As at 31 December | **(1,047,863)** | (1,073,418) |

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 36. DEFERRED INCOME TAX ASSETS AND LIABILITIES (Continued)

The following are the major deferred tax assets and liabilities recognised and movements thereon during the current and prior years:

| | Temporary difference arising from ECL on trade receivables, deposits and other receivables RMB'000 | Tax losses RMB'000 | Total RMB'000 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| As at 1 January 2023 | 1,295,553 | 331,406 | 1,626,959 |
| Credited to profit or loss | (78,000) | (78,598) | (156,598) |
| As at 31 December 2023 and 1 January 2024 | **1,217,553** | **252,808** | **1,470,361** |
| Disposal of subsidiaries | **–** | **(1,063)** | **(1,063)** |
| Credited to profit or loss | **(6,003)** | **(251,745)** | **(257,748)** |
| As at 31 December 2024 | **1,211,550** | **–** | **1,211,550** |

| | Intangible assets acquired in business combination RMB'000 | Revaluation of investment properties RMB'000 | Fair value of financial assets at FVTPL RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| As at 1 January 2023 | 218,751 | 2,432,330 | 84,112 | 2,735,193 |
| Credited to profit or loss | (5,077) | (102,225) | (84,112) | (191,414) |
| As at 31 December 2023 and 1 January 2024 | **213,674** | **2,330,105** | **–** | **2,543,779** |
| Credited to profit or loss | **(7,314)** | **(277,052)** | **–** | **(284,366)** |
| As at 31 December 2024 | **206,360** | **2,053,053** | **–** | **2,259,413** |

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through the future taxable profit is probable. The Group did not recognise tax losses amounting to RMB73,629,327,000 (2023: RMB41,258,384,000) that can be carried forward against future taxable income. These tax losses will expiry from 2025 to 2029 (2023: 2024 to 2028).

At 31 December 2024, the unrecognised deferred tax liabilities were RMB1,476,144,000 (2023: RMB1,582,147,000) relating to withholding tax that would be payable for undistributed profits of PRC subsidiaries, as the directors consider that the timing for the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. The total undistributed profits of these PRC subsidiaries as at 31 December 2024 amounted to RMB29,522,855,000 (2023: RMB31,642,933,000).

## 37. SHARE CAPITAL

| | Number of ordinary shares | Nominal value of ordinary shares HK$'000 | Equivalent nominal value of ordinary shares RMB'000 |
|---|---|---|---|
| Ordinary share of HK$0.10 each | | | |
| **Authorised:** | | | |
| As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | 50,000,000,000 | 5,000,000 | 4,405,545 |
| **Issue and fully paid:** | | | |
| As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024 | **7,015,468,487** | **701,547** | **613,530** |

There were no movements in the authorised and issued share capital of the Company for both years.

## 38. PERPETUAL CAPITAL SECURITIES

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Perpetual capital securities | **1,350,054** | 1,350,054 |

On 30 September 2020, the Company issued 10.875% perpetual capital securities with an aggregate principal amount of US$200,000,000 (equivalent to approximately RMB1,361,519,000) (the "Securities") which are listed on Singapore Exchange Securities Trading Limited at an issue price of 100%. Transaction costs relating to the issue of the Securities amounted to approximately RMB11,465,000. Distribution is payable semiannually in arrears in equal instalments on 30 March and 30 September of each year based on the distribution rate as defined in the subscription agreement. Distribution by the Company may be deferred at its sole discretion. The Securities have no fixed maturity and are redeemable in whole, but not in part, or any distribution payment date falling thereafter at their principal amounts together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower rank.

As the Securities do not contain any contractual obligation to pay cash or other financial assets, in accordance with HKAS 32 *Financial Instruments: Presentation*, they are classified as equity for accounting purpose. Any distributions made by the Company to the holders of the Securities will be deducted directly to equity in the consolidated financial statements.

The Company has sent the optional deferral notices to the Trust Agent which provides that the Company has elected to defer the Distribution scheduled to be paid on the Distribution Payment Date falling on 30 March 2023, 30 September 2023, 30 March 2024, 30 September 2024 and 30 March 2025 respectively.

There were no movements in the perpetual capital securities of the Company for both years.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 39. SHARE PREMIUM

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Share premium | **6,376,801** | 6,376,801 |

There were no movements in the share premium of the Company for both years.

## 40. THE GROUP'S RESERVES

| | Merger reserve RMB'000 (note (a) below) | Exchange reserve RMB'000 (note (b) below) | Statutory reserve RMB'000 (note (c) below) | Share option reserve RMB'000 (note (d) below) | Capital reserve RMB'000 (note (e) below) | Retained earnings RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|---|---|
| As at 1 January 2023 | 382 | 1,702 | 1,025,629 | 376,690 | (158,477) | (1,723,474) | (477,548) |
| Loss for the year | – | – | – | – | – | (19,932,153) | (19,932,153) |
| Other comprehensive income (expenses) for the year | – | 18,161 | – | – | – | (2,602) | 15,559 |
| Total comprehensive income (expenses) for the year | – | 18,161 | – | – | – | (19,934,755) | (19,916,594) |
| Net increase in non-controlling interests without passing and losing on control of subsidiary | – | – | (285) | – | (873) | – | (1,158) |
| Share-based payments | – | – | – | 5,805 | – | – | 5,805 |
| Share options lapsed | – | – | – | (203,242) | – | 203,242 | – |
| As at 31 December 2023 and 1 January 2024 | **382** | **19,863** | **1,025,344** | **179,253** | **(159,350)** | **(21,454,987)** | **(20,389,495)** |
| Loss for the year | **–** | **–** | **–** | **–** | **–** | **(28,533,737)** | **(28,533,737)** |
| Other comprehensive (expenses) income for the year | **–** | **(2,375)** | **–** | **–** | **–** | **5,640** | **3,265** |
| Total comprehensive expenses for the year | **–** | **(2,375)** | **–** | **–** | **–** | **(28,528,097)** | **(28,530,472)** |
| Share-based payments | **–** | **–** | **–** | **2,786** | **–** | **–** | **2,786** |
| Share options lapsed | **–** | **–** | **–** | **(130,351)** | **–** | **130,351** | **–** |
| As at 31 December 2024 | **382** | **17,488** | **1,025,344** | **51,688** | **(159,350)** | **(49,852,733)** | **(48,917,181)** |

## 40. THE GROUP'S RESERVES (Continued)

Notes:

(a) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the share capital and share premium of the subsidiaries acquire pursuant to the group reorganisation in December 2007 and the nominal value of the share capital of the Company issued in exchange thereof. The reorganisation qualifies as common control combinations and has been accounted for using merger accounting.

(b) Exchange reserve

The exchange reserves comprise all foreign exchange differences arising from the translation of the financial statements of the Company.

(c) Statutory reserve

In accordance with the relevant rules and regulations in the PRC and the provision of the articles of association of the PRC companies comprising the Group, before 1 January 2006, the local investment enterprises were required to appropriate at each year end 5% to 10% of the profit for the year after netting off the accumulated losses brought forward (based on figures reported in the statutory financial statements) to the statutory surplus reserve and the statutory public welfare fund (collectively the "Statutory Reserves"), respectively. After 1 January 2006, the local investment enterprises are allowed to appropriate 10% of the net profit to the Statutory Reserves until the accumulated appropriation exceeds 50% of the registered capital.

For Chinese-foreign entities, in accordance with the Law of the PRC on Chinese-foreign Equity Joint Ventures, the percentage of profits to be appropriated to the Statutory Reserves is solely determined by the Board of Directors of these foreign investment enterprises.

In accordance with the Laws of the PRC on Enterprises Operated Exclusively with Foreign Capital and the companies' articles of association, an appropriation to the Statutory Reserves, after net of accumulated losses of previous years, have to be made prior to profit distribution to the investor. The appropriation for the Statutory Reserve of these foreign investment enterprises shall be no less than 10% of the net profit until the accumulated appropriation exceeds 50% of the registered capital.

(d) Share option reserve

Share option reserve represents value of employee services in respect of share options granted under the Share Option Scheme (note 42).

(e) Capital reserve

Capital reserve arose from the difference between the amount by which the non-controlling interests are adjusted and the consideration paid for the acquisition of additional equity interest in subsidiaries.

## 41. DEFINED CONTRIBUTION RETIREMENT PLANS

The Group operates the Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (the "Ordinance"). The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. Contributions to the plan vest immediately upon the completion of service in the relevant service period. There is no forfeited contribution that may be used by the Group to reduce the existing levels of contributions.

The Group's PRC subsidiaries also participate in defined contribution retirement schemes covering its full-time PRC employees. The schemes are administered by the relevant government authorities in the PRC. The Group and the PRC employees are required to make contributions based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC and the relevant government authorities undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC subsidiaries. There is no forfeited contribution that may be used by the Group to reduce the existing levels of contributions.

## 42. SHARE OPTION

### (a) 2019 Share Option Scheme of the Company

Pursuant to the shareholders' resolution passed on 22 November 2009, a post-IPO share option scheme (the "2019 Share Option Scheme") was conditionally adopted. Pursuant to the terms of the 2019 Share Option Scheme, the Company may grant options at its discretion, to any eligible person (including directors, employees, officers of any member of the Group, advisers, consultants, suppliers, agents and customers of any members of the Group) (the "2019 Share Option Eligible Participants"). The maximum number of shares which may be issued upon exercise of all options (the "2019 Share Option") granted and yet to be exercised under the 2019 Share Option Scheme or any other share option schemes adopted by the Company must not exceed 30% of the Company's shares in issue from time to time.

No options may be granted under the 2019 Share Option Scheme after 10 years since the adoption. The vesting periods, exercise periods and vesting conditions may be specified by the Company at the time of the grant, and the options expire no later than 10 years from the relevant date of grant. The exercise price of the option under the 2019 Share Option Scheme shall be no less than the highest of (i) the official closing price of the Company's shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; (iii) the nominal value of a share of the Company.

## 42. SHARE OPTION (Continued)

### (a) 2019 Share Option Scheme of the Company (Continued)

The summary below sets out the details of the outstanding options as at 31 December 2024 and 31 December 2023 pursuant to the 2019 Share Option Scheme:

| | | | | | Number of share options | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Grantee | Date of grant | Original exercise prices per share | Exercised period | Adjusted exercise prices per share | As at 1 January 2023 | Cancelled/ lapsed/forfeited during the year | As at 31 December 2023 and 1 January 2024 | Cancelled/ lapsed/forfeited during the year | As at 31 December 2024 |
| **Directors** | 19 July 2017 | 3.27 | 19 July 2018 to 18 July 2027 | 3.44 | 6,814,021 | – | 6,814,021 | – | 6,814,021 |
| | 19 July 2017 | 3.27 | 19 July 2019 to 18 July 2027 | 3.44 | 6,814,023 | – | 6,814,023 | – | 6,814,023 |
| | 19 July 2017 | 3.27 | 19 July 2020 to 18 July 2027 | 3.44 | 6,814,023 | – | 6,814,023 | – | 6,814,023 |
| | 19 July 2017 | 3.27 | 19 July 2021 to 18 July 2027 | 3.44 | 13,628,028 | – | 13,628,028 | – | 13,628,028 |
| | | | | | 34,070,095 | – | 34,070,095 | – | 34,070,095 |
| **Other Employees** | 19 July 2017 | 3.27 | 19 July 2018 to 18 July 2027 | 3.44 | 31,385,783 | (13,328,634) | 18,057,149 | (3,592,847) | 14,464,302 |
| | 19 July 2017 | 3.27 | 19 July 2019 to 18 July 2027 | 3.44 | 31,334,162 | (13,328,634) | 18,005,528 | (3,592,847) | 14,412,681 |
| | 19 July 2017 | 3.27 | 19 July 2020 to 18 July 2027 | 3.44 | 31,798,755 | (13,328,634) | 18,470,121 | (3,592,847) | 14,877,274 |
| | 19 July 2017 | 3.27 | 19 July 2021 to 18 July 2027 | 3.44 | 69,792,072 | (26,657,267) | 43,134,805 | (7,185,689) | 35,949,116 |
| | 24 January 2019 | 2.33 | 24 January 2020 to 23 January 2029 | 2.31 | 2,064,854 | (2,064,854) | – | – | – |
| | 24 January 2019 | 2.33 | 24 January 2021 to 23 January 2029 | 2.31 | 2,064,854 | (2,064,854) | – | – | – |
| | 24 January 2019 | 2.33 | 24 January 2022 to 23 January 2029 | 2.31 | 2,064,854 | (2,064,854) | – | – | – |
| | 24 January 2019 | 2.33 | 24 January 2023 to 23 January 2029 | 2.31 | 4,129,709 | (4,129,709) | – | – | – |
| | 12 April 2019 | 3.69 | 12 April 2021 to 13 April 2029 | 3.58 | 5,368,621 | – | 5,368,621 | (1,238,912) | 4,129,709 |
| | 12 April 2019 | 3.69 | 12 April 2022 to 13 April 2029 | 3.58 | 5,368,621 | – | 5,368,621 | (1,238,912) | 4,129,709 |
| | 12 April 2019 | 3.69 | 12 April 2023 to 13 April 2029 | 3.58 | 5,368,621 | – | 5,368,621 | (1,238,912) | 4,129,709 |
| | 12 April 2019 | 3.69 | 12 April 2024 to 13 April 2029 | 3.58 | 10,737,242 | – | 10,737,242 | (2,477,827) | 8,259,415 |
| | | | | | 201,478,148 | (76,967,440) | 124,510,708 | (24,158,793) | 100,351,915 |
| **Total** | | | | | 235,548,243 | (76,967,440) | 158,580,803 | (24,158,793) | 134,422,010 |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 42. SHARE OPTION (Continued)

### (a) 2019 Share Option Scheme of the Company (Continued)

On 19 July 2017, the Company offered to grant to the directors of the Company and certain employees of the Company and its subsidiaries (the "July 2017 Grant") of 64,000,000 and 250,300,000 share options respectively, of HK$0.1 each in the capital of the Company. The Company further granted a director of the Company (the "September 2017 Grant" and the "November 2017 Grant") of 20,000,000 and 28,000,000 shares options on 22 September 2017 and 29 November 2017 respectively of HK$0.1 each in the capital of the Company.

On 24 January 2019, the Company offered to grant to certain employees of the Company and its subsidiaries (the "January 2019 Grant") of 18,000,000 share options of HK$0.1 each in the capital of the Company.

The Company further granted certain employees of the Company and its subsidiaries (the "April 2019 Grant") of 34,000,000 share options on 12 April 2019 of HK$0.1 each in the capital of the Company.

During the year ended 31 December 2024, no share option was granted nor exercised and a total of 24,158,793 (2023: 76,967,440) options have lapsed in accordance with the terms of the scheme.

As at 31 December 2024, 134,422,010 (2023: 158,580,803) outstanding options granted under the 2019 Share Option Scheme were exercisable.

The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

| | July 2017 Grant | January 2019 Grant | April 2019 Grant |
|---|---|---|---|
| Fair value under binomial model (HK$'000) | 543,168 | 17,677 | 51,857 |
| Closing share price at grant date (HK$) | 3.55 | 2.37 | 3.69 |
| Exercise price (HK$) | 3.55 | 2.38 | 3.7 |
| Annual risk-free interest rate | 2.05% | 2.49% | 2.26% |
| Expected volatility | 42% | 45% | 46% |
| Expected option life | 10 years | 10 years | 10 years |
| Expected divided yield | Nil | 2.50% | 2.50% |

Expected volatility was determined by using the historical volatility of the Company's share price from the listing date to the grant date. The risk-free interest rate is equal to Hong Kong Dollar swap rate over the exercise period at the grant date.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the year ended 31 December 2024, the Group recognised a share option expense of RMB2,786,000 (2023: RMB5,805,000).

## 42. SHARE OPTION (Continued)

### (b) New Share Option Scheme of the Company

Pursuant to the shareholders' resolution passed on 14 June 2019, the 2019 Share Option Scheme was terminated and the new share option scheme (the "New Share Option Scheme") is conditionally adopted with effective from 14 June 2019. Pursuant to the terms of the New Share Option Scheme, the Company may grant options at its discretion, to any eligible person (including directors, employees, officers of any member of the Group, advisers, consultants, suppliers, agents and customers of any members of the Group) (the "New Share Option Scheme Eligible Participants"). The maximum number of shares which may be issued upon exercise of all options (the "New Share Option Scheme Share Option") granted and yet to be exercised under the New Share Option Scheme or any other share option schemes adopted by the Company must not exceed 30% of the Company's shares in issue from time to time.

No options may be granted under the New Share Option Scheme after 10 years since the adoption. The vesting periods, exercise periods and vesting conditions may be specified by the Company at the time of the grant, and the options expire no later than 10 years from the relevant date of grant. The exercise price of the option under the New Share Option Scheme shall be no less than the highest of (i) the official closing price of the Company's shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of the Company's shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; (iii) the nominal value of a share of the Company.

The summary below sets out the details of the outstanding options as at 31 December 2024 and 31 December 2023 pursuant to the New Share Option Scheme:

| | | | | | Number of share options | | |
|---|---|---|---|---|---|---|---|
| Grantee | Date of grant | Original exercise prices per share | Exercised period | Adjusted exercise prices per share | As at 1 January 2023 | Cancelled/ lapsed/forfeited during the year* | As at 31 December 2023, 1 January 2024 and 31 December 2024 |
| **Other Employees** | 4 November 2020 | 3.68 | 4 November 2021 to 3 November 2030 | 3.57 | 2,064,854 | (2,064,854) | – |
| | | 3.68 | 4 November 2022 to 3 November 2030 | 3.57 | 2,064,854 | (2,064,854) | – |
| | | 3.68 | 4 November 2023 to 3 November 2030 | 3.57 | 2,064,854 | (2,064,854) | – |
| | | 3.68 | 4 November 2024 to 3 November 2030 | 3.57 | 4,129,709 | (4,129,709) | – |
| Total | | | | | 10,324,271 | (10,324,271) | – |

* These options were forfeited.

On 4 November 2020, the Company offered to grant to an employee of the Company and its subsidiaries (the "November 2020 Grant") of 10,000,000 share options of HK$0.10 each in the capital of the Company.

During the year ended 31 December 2024, no New Share Options were granted under the New Share Option Scheme (2023: no options were granted).

As at 31 December 2024, no (2023: nil) outstanding options granted under the New Share Option Scheme were exercisable.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 42. SHARE OPTION (Continued)

### (b) New Share Option Scheme of the Company (Continued)

The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

| | November 2020 Grant |
|---|---|
| Fair value under binomial model (HK$'000) | 13,298 |
| Closing share price at grant date (HK$) | 3.68 |
| Exercise price (HK$) | 3.69 |
| Annual risk-free interest rate | 0.91% |
| Expected volatility | 46% |
| Expected option life | 10 years |
| Expected divided yield | 3.46% |

Expected volatility was determined by using the historical volatility of the Company's share price from the listing date to the grant date. The risk-free interest rate is equal to Hong Kong Dollar swap rate over the exercise period at the grant date.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

During the year ended 31 December 2024, no share option expense has been recognised (2023: no).

### (c) Share Option Scheme of Kaisa Health Group, a subsidiary of the Company

Kaisa Health Group, a non-wholly owned subsidiary of the Company, operates a share option scheme (the "Kaisa Health Share Option Scheme"). The Kaisa Health Share Option Scheme was adopted pursuant to a special general meeting on 8 June 2015 for a period of 10 years as incentive or reward for the grantees for their contribution or potential contribution to Kaisa Health Group and its subsidiaries.

During the year ended 31 December 2024, no (2023: no) options were granted, none of options were exercised and cancelled, and no (2023: no) share options were forfeited/lapsed.

Under the Kaisa Health Share Option Scheme, Kaisa Health Group may grant options to eligible participant which includes any full-time or part-time employees, consultants, potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of Kaisa Health Group or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the board of directors, will contribute or has contributed to Kaisa Health Group and/or any of its subsidiaries.

Share options granted to a director, chief executive or substantial shareholder of Kaisa Health Group, or to any of their associates, are subject to approval by the independent non-executive directors of Kaisa Health Group. In addition, any share options granted to a substantial shareholder or any independent non-executive director of Kaisa Health Group, or to any of their associates, which would result in the shares issued and to be issued upon exercise of all share options already granted and to be granted (including share options exercised, cancelled and outstanding) to such person in any one year up to and including the date of such grant (i) representing in aggregate value over 0.1% of the shares of Kaisa Health Group in issue on that date; and (ii) having an aggregate value, based on the closing price of the shares on the date of each grant, in excess of HK$5 million, are subject to shareholders' approval in a general meeting.

## 42. SHARE OPTION (Continued)

### (c) Share Option Scheme of Kaisa Health Group, a subsidiary of the Company (Continued)

The exercisable period of the options granted are determined by the board of directors of Kaisa Health Group at its absolute discretion. The share options will expire no later than ten years from the date of grant. At the time of grant of the share options, Kaisa Health Group may specify a minimum period for which an option must be held before it can be exercised. The acceptance date should not be later than 14 days after the date of offer. A nominal consideration of HK$1 is payable on acceptance of the grant of options. The subscription price of the option shares is not less than the higher of (i) the closing price of the shares on the date of grant; (ii) the average closing prices of the shares on the five trading days immediately preceding the date of grant; and (iii) the nominal value of the shares. The maximum number of shares in respect of which options may be granted under the Kaisa Health Share Option Scheme may not exceed, in aggregate, nominal amount of 10% of the issued share capital of Kaisa Health Group at the date of approval of the Kaisa Health Share Option Scheme. The Kaisa Health Share Option Scheme limit may be increased from time to time to 10% of the shares in issue as at the date of such shareholders' approval. However, the total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital from time to time. The number of shares in respect of which options may be granted to each eligible participants in any one year is not permitted to exceed 1% of the shares of Kaisa Health Group in issue from time to time.

As at 31 December 2024, the number of shares in respect of which options had been granted and remained outstanding under the Kaisa Health Share Option Scheme was 142,000,000 (2023: 142,000,000), representing 2.8% (2023:2.8%) of the shares of the Kaisa Health Group Holdings Limited in issue at that date.

During the years ended 31 December 2024, no options were granted under the Kaisa Health Share Option Scheme (2023: no options were granted).

The fair values of share options were calculated using binomial option pricing model based on following data:

| | |
|---|---|
| Grant date | 22 July 2020 |
| Share price at grant date | HK$0.144 |
| Exercise price | HK$0.196 |
| Expected volatility | 63.68% |
| Expected life | 10 years |
| Risk-free rate | 0.396% |
| Expected dividend yield | 0.00% |
| Early exercise multiples | |
| – Director and its associate | 2.8x |
| – Employees or consultants | 2.8x |

The Binomial Option Pricing Model has been used to estimate the fair value of the share options. The variables and assumptions used in computing the fair value of the share options were based on the Kaisa Health Group's directors' best estimate. The expected volatility was determined with reference to the historical volatilities of the Kaisa Health's share prices over the last five years. The expected dividend yield was based on the historical dividend yields of the Kaisa Health. The value of an option varies with different variables of certain subjective assumptions.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 42. SHARE OPTION (Continued)

### (c) Share Option Scheme of Kaisa Health Group, a subsidiary of the Company (Continued)

Details of specific categories of options are as follows:

| Option type | Date of grant | Vesting period | Exercisable period | Exercise price |
|---|---|---|---|---|
| 2020 | 22.7.2020 | 22.7.2020–21.7.2023 | 22.7.2021–21.7.2030 | HK$0.196 |

A summary of the movements of the number of share options under the Scheme during the years is as follows:

| Type of participant | Option type | Outstanding as at 1 January 2023 | Outstanding as at 31 December 2023 and 1 January 2024 | **Outstanding as at 31 December 2024** |
|---|---|---|---|---|
| Mr. Zhang Huagang (note (i) below) | 22 July 2020 | 50,000,000 | 50,000,000 | **50,000,000** |
| Mr. Luo Jun | 22 July 2020 | 40,000,000 | 40,000,000 | **40,000,000** |
| Mr. Wu Tianyu (note (ii) below) | 22 July 2020 | 20,000,000 | 20,000,000 | **20,000,000** |
| Dr. Liu Yanwen | 22 July 2020 | 6,000,000 | 6,000,000 | **6,000,000** |
| Dr. Lyu Aiping | 22 July 2020 | 6,000,000 | 6,000,000 | **6,000,000** |
| Ms. Jiang Sisi | 22 July 2020 | 10,000,000 | 10,000,000 | **10,000,000** |
| Employee | 22 July 2020 | 10,000,000 | 10,000,000 | **10,000,000** |
| | | 142,000,000 | 142,000,000 | **142,000,000** |
| Exercisable at the end of the year | | 100,000,000 | 142,000,000 | **142,000,000** |
| Weighted average exercise price | | HK$0.196 | HK$0.196 | **HK$0.196** |

Notes:

(i) Mr. Zhang Huagang, being an executive director of the Company in 2023 and retired on 14 June 2024. Under the terms of the Scheme, he has rights to exercise the option in full within 12 months from the date of cessation.

(ii) Mr. Wu was retired as an executive director of the Company on 14 June 2024 but remains as a director of certain subsidiaries. He still has rights to exercise the option in full under the Scheme.

## 42. SHARE OPTION (Continued)

### (d) Share Option Scheme of Kaisa Prosperity, a subsidiary of the Company

Kaisa Prosperity, a non-wholly owned subsidiary of the Company, operates a share option scheme (the "Kaisa Prosperity's Scheme"). The Kaisa Prosperity's Scheme was adopted pursuant to the shareholders' resolution passed on 18 June 2019. Pursuant to the terms of the share option scheme, Kaisa Prosperity may grant options at its discretion, to any eligible person (including directors, employees, officers of any member of Kaisa Prosperity and its subsidiaries, advisers, consultants, suppliers, agents and customers of any members of the Kaisa Prosperity). The maximum number of shares which may be issued upon exercise of all options granted and yet to be exercised under the Kaisa Prosperity's Scheme or any other Kaisa Prosperity's Schemes adopted by Kaisa Prosperity must not exceed 30% of the Kaisa Prosperity's shares in issue from time to time.

No options may be granted under the Kaisa Prosperity's Scheme after 10 years since the adoption. The vesting periods, exercise periods and vesting conditions may be specified by Kaisa Prosperity at the time of the grant, and the options expire no later than 10 years from the relevant date of grant.

The exercise price of the option under the Kaisa Prosperity's Scheme shall be no less than the highest of (i) the official closing price of Kaisa Prosperity's shares as stated in the daily quotation sheet issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of Kaisa Prosperity's shares as stated in the daily quotation sheets issued by the Stock Exchange for the five Stock Exchange business days immediately preceding the date of grant; (iii) the nominal value of a share of Kaisa Prosperity.

Details of the movement of the share options under share option scheme are as follows:

| | Weighted average exercise price in HKD per share | Number |
|---|---|---|
| As at 1 January 2023 | 15.7 | 9,470,000 |
| Forfeited during the year | 15.7 | (400,000) |
| As at 31 December 2023, as at 1 January 2023 and as at 31 December 2024 | **15.7** | **9,070,000** |

On 19 July 2019, Kaisa Prosperity offered to grant to the directors of Kaisa Prosperity and certain employees of Kaisa Prosperity and its subsidiaries (the "July 2019 Grant") of 2,750,000 and 8,700,000 share options respectively, of HKD0.01 each in the capital of Kaisa Prosperity. The closing price of the shares immediately before the date of grant was HKD15.36. 8,700,000 share options granted to the employees and 2,750,000 share options granted to the directors of Kaisa Prosperity have a fair value at grant date under the binomial model of HKD62,564,000 and HKD22,241,000, respectively.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 42. SHARE OPTION (Continued)

### (d) Share Option Scheme of Kaisa Prosperity, a subsidiary of the Company (Continued)

The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

| | 19 July 2019 Grant |
|---|---|
| Fair value under binomial model | HKD84,805,000 |
| Closing share price at grant date | HKD15.70 |
| Exercise price | HKD15.70 |
| Annual risk-free interest rate | 1.87% |
| Expected volatility | 50.86% |
| Expected option life | 10 years |
| Expected dividend yield | 1.15% |

Expected volatility was determined by using the historical volatility of Kaisa Prosperity's share price from the listing date to the grant date. The risk-free interest rate is equal to HKD swap rate over the exercise period at the grant date.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. Expected dividend yield are based on historical data.

In total, employee compensation expense amounting to RMB369,000 has been recognised in profit or loss for the year ended 31 December 2023 and the corresponding amount of which has been credited to "Share option reserve". Since the share options were fully vested in prior years and thus, no share option expense was recognised during the year ended 31 December 2024. No liabilities were recognised for the share based payment transactions.

As at 31 December 2024, 9,070,000 of the outstanding options granted under the share option scheme were exercisable (2023: 9,070,000).

| | Exercise price per share HKD | Number of share options outstanding as at 31 December 2024 | 2023 |
|---|---|---|---|
| 19/7/2020-18/7/2029 | 15.70 | **2,010,000** | 2,010,000 |
| 19/7/2021-18/7/2029 | 15.70 | **2,010,000** | 2,010,000 |
| 19/7/2022-18/7/2029 | 15.70 | **1,950,000** | 1,950,000 |
| 19/7/2023-18/7/2029 | 15.70 | **3,100,000** | 3,100,000 |
| | | **9,070,000** | 9,070,000 |

## 42. SHARE OPTION (Continued)

### (e) Share Option Scheme of Kaisa Capital, a subsidiary of the Company

Kaisa Capital Investment Holdings Limited ("Kaisa Capital"), the Kaisa Capital Group's subsidiary engaged in construction equipment business and property development business.

At the extraordinary general meeting held on 30 July 2015, Kaisa Capital adopted a new share option scheme (the "Kaisa Capital Share Option Scheme") to replace the old share option scheme adopted on 25 June 2010 (the "Kaisa Capital Old Scheme") for the purpose of providing an incentive and/or a reward to eligible participants for their contribution to, and continuing efforts to promote the interest of, the Kaisa Capital Group. The eligible participants include (a) full-time or part-time employees of the Kaisa Capital Group (including any directors, whether executive or non-executive and whether independent or not, of the Kaisa Capital Group); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Kaisa Capital Group; and (c) any person who, in the sole discretion of the Board, has contributed or may contribute to the Kaisa Capital Group. Further details of the Share Option Scheme are set out in the Kaisa Capital Group's circular dated 13 July 2015.

As at 31 December 2024, there were no outstanding share options granted under the Kaisa Capital Old Scheme (2023: nil).

No share option has been granted under the Kaisa Capital Share Option Scheme since its adoption and therefore, as at 31 December 2024, there were no outstanding share options granted under the Kaisa Capital Share Option Scheme (2023: nil) and no share option was exercised and cancelled or lapsed for both years.

## 43. ACQUISITIONS OF SUBSIDIARIES

### (a) For the year ended 31 December 2023

Acquisitions of assets and acquisitions of additional interests in the Group's joint ventures

During the year ended 31 December 2023, the Group entered into (i) certain sales and purchase agreements with independent third parties to acquire certain property development companies at total consideration of RMB410,000,000; and (ii) certain share transfer agreements with existing business partners to acquire additional equity interests in investees which were classified as the Group's joint ventures before the further acquisitions with the aggregate consideration of approximately RMB6,000,000.

The Group considered that these acquisitions were just acquisitions of assets in substance and as a result the difference between the purchase consideration paid and the net assets acquired are recognised as adjustments to the carrying values of properties under development. Thus, no financial information for the business combination that occurs during the reporting period was presented.

The non-controlling interests recognised at the acquisition date were measured by reference to the proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The aggregate balances of identifiable assets and liabilities arising from these acquisitions as at their respective acquisition dates are as follows:

| | Acquisitions of assets RMB'000 | Acquisitions of additional interests in the Group's joint ventures RMB'000 |
|---|---|---|
| Property, plant and equipment | **5,937** | **–** |
| Prepayment for proposed development projects | **928,356** | **178,874** |
| Cash and bank balances | **24** | **1** |
| Other payables and contract liabilities | **(473,073)** | **(16,962)** |
| Borrowings | **–** | **(151,946)** |
| Total identifiable net assets | **461,244** | **9,967** |
| Less: Pre-existing interests in the joint ventures | **–** | **(3,967)** |
| Less: Non-controlling interests | **(51,244)** | **–** |
| Identifiable net assets acquired | **410,000** | **6,000** |
| Total purchase consideration | **410,000** | **6,000** |
| Cash and bank balances in the subsidiaries acquired and cash inflow on acquisition of the subsidiaries | **24** | **1** |

## 43. ACQUISITIONS OF SUBSIDIARIES (Continued)

### (b) For the year ended 31 December 2024

Acquisitions of assets and acquisitions of additional interests in the Group's joint ventures

During the year ended 31 December 2024, the Group entered into share transfer agreement with existing business partner to acquire additional equity interests in 汕頭市佳晟房地產開發有限公司 (Shantou Jiasheng Property Development Co., Ltd.) which was classified as the Group's joint ventures before the further acquisitions with the aggregate consideration of approximately RMB1.

The Group considered that these acquisitions were just acquisition of assets in substance and as a result the difference between the purchase consideration paid and the net assets acquired are recognised as adjustments to the carrying values of properties under development. Thus, no financial information for the business combination that occurs during the reporting period was presented.

The aggregate balances of identifiable assets and liabilities arising from these acquisitions as at their respective acquisition dates are as follows:

| | Acquisitions of additional interests in the Group's joint ventures RMB'000 |
|---|---|
| Property, plant and equipment | **153** |
| Properties under development | **140,415** |
| Completed properties held-for-sale | **978,379** |
| Debtors, deposits and other receivables | **1,041,411** |
| Amounts due from joint ventures of the Group | **1,790,908** |
| Prepaid tax | **10,247** |
| Cash and bank balances | **127,494** |
| Other payables and contract liabilities | **(2,211,475)** |
| Amounts due to joint ventures of the Group | **(291,381)** |
| Borrowings | **(1,494,710)** |
| Income tax payables | **(51,790)** |
| Total identifiable net assets | **39,651** |
| Less: Pre-existing interests in the joint ventures | **(39,651)** |
| Identifiable net assets acquired | **–** |
| Total purchase consideration[#] | **–** |
| Cash and bank balances in the subsidiaries acquired and cash inflow on acquisition of the subsidiaries | **127,494** |

[#] Amount less than RMB1,000

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 44. DISPOSALS OF SUBSIDIARIES

### (a) For the year ended 31 December 2023

During the year ended 31 December 2023, the Group entered into agreements with certain independent third parties to dispose of all the interests in certain subsidiaries. These subsidiaries were engaged in property development and healthcare operations. The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of and the financial impacts are summarised as follows:

| | RMB'000 |
|---|---|
| Net assets disposed of: | |
| Property, plant and equipment | 2,517 |
| Right-of-use assets | 4,949 |
| Land use rights | 3,283 |
| Inventories | 139 |
| Properties under development | 2,325,408 |
| Completed properties held-for-sale | 32,889 |
| Debtors, deposits and other receivables | 251,660 |
| Prepayment for proposed development projects | 13,500 |
| Prepaid tax | 172,009 |
| Cash and bank balances | 6,249 |
| Accrued construction costs | (70,841) |
| Other payables and contract liabilities | (1,337,995) |
| Lease liabilities | (12,567) |
| Borrowings | (650,000) |
| Income tax payable | (335) |
| | 740,865 |
| Non-controlling interests | (83,593) |
| Exchange reserve | 9,462 |
| Net assets disposed of | 666,734 |
| Net loss on disposals of subsidiaries | (619,793) |
| Total consideration | 46,941 |
| Satisfied by: | |
| Cash consideration | 100 |
| Other receivables | 5,100 |
| Financial assets at FVTPL | 41,741 |
| | 46,941 |
| Net cash outflow in respect of disposals of subsidiaries: | |
| Cash consideration | 100 |
| Cash and bank balances disposals of | (6,249) |
| | (6,149) |

## 44. DISPOSALS OF SUBSIDIARIES (Continued)

### (b) For the year ended 31 December 2024

During the year ended 31 December 2024, the Group entered into an agreement with an independent third party to dispose of all the interests in 嘉善尚灣房地產開發有限公司 (Jiashan Shangwan Real Estate Development Co., Ltd.) which was engaged in property development. The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of during the current year and the financial impacts are summarised as follows:

| | RMB'000 |
|---|---|
| Net assets disposed of: | |
| Property, plant and equipment | **446** |
| Financial assets at fair value through profit or loss | **5,900** |
| Deferred tax assets | **1,063** |
| Properties under development | **322,951** |
| Completed properties held-for-sale | **659,067** |
| Debtors, deposits and other receivables | **552,975** |
| Amounts due from associates of the Group | **2,274,609** |
| Prepaid tax | **64,709** |
| Cash and bank balances | **12,242** |
| Accrued construction costs | **(1,005,968)** |
| Other payables and contract liabilities | **(1,032,186)** |
| Borrowings | **(291,060)** |
| Income tax payable | **(381,921)** |
| | **1,182,827** |
| Non-controlling interests | **(41,937)** |
| Net assets disposed of | **1,140,890** |
| Net loss on disposals of subsidiaries | **(1,137,880)** |
| Total consideration | **3,010** |
| Satisfied by: | |
| Cash consideration | **3,010** |
| Net cash outflow in respect of disposals of subsidiaries: | |
| Cash consideration | **3,010** |
| Cash and bank balances disposals of | **(12,242)** |
| | **(9,232)** |

## 45. CONTINGENT LIABILITIES

### (a) Financial Guarantees Contracts

(i) Guarantees on mortgage facilities

The Group had provided guarantees in respect of mortgage facilities granted by certain banks related to mortgage loans arranged for certain purchasers of the Group's properties amounting to RMB24,312,244,000 as at 31 December 2024 (2023: RMB26,269,550,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees expire or terminate upon the earlier of (i) issuance of the property ownership certificates which are generally be available within six months to one year after the purchasers take possession of the relevant properties; and (ii) the mortgage loans obtained by the purchasers of properties.

The directors consider that summarised default in payments, the net realisable value of the related properties can cover the repayment of the outstanding mortgage principals together with the accrued interest and penalty and therefore no provision has been made in the consolidated financial statements for the guarantees.

(ii) Corporate guarantees provided by the Group's subsidiaries

As at 31 December 2024 and 31 December 2023, there are certain corporate guarantees provided by the Group's subsidiaries for each other in respect of borrowings (Note 35).

(iii) Corporate guarantees provided to lenders of the Group's joint ventures and associates and third parties

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 amounting to RMB20,767,618,000 (2023: RMB21,730,809,000).

The maximum guarantee exposure represents the total amount of liabilities should all borrowers under financial guarantee contracts default. With reference to valuation carried out carrying out by an independent qualified professional valuer, at 31 December 2024, the directors have performed assessment and the provision as at 31 December 2024 was amounted to RMB2,355,385,000 (2023: RMB2,427,710,000) (Note 33).

### (b) Litigation

Pursuant to 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 as disclosed in the Company's announcement dated 28 March 2025.

Details of the above are set out in the Company's announcements dated 10 July 2023, 13 September 2023, 27 September 2023, 10 October 2023, 16 October 2023, 31 January 2024, 8 March 2024, 29 April 2024, 27 May 2024, 24 June 2024, 12 August 2024 and 3 September 2024 and 28 March 2025.

Saved as disclosed elsewhere in these consolidated financial statements, up to the date of the approval for issuance of these consolidated financial statements, various parties had filed litigations against various subsidiaries of the Group due to non-repayment of the Group's borrowings.

The Group had assessed the impact of these litigation matters on the consolidated financial statements for the year ended 31 December 2024. Since the Group is actively communicating with relevant lenders and creditors and seeking various ways to resolve these claims, the Group considered that no further provision was required to be recognised in the consolidated financial statements.

## 46. COMMITMENTS

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

| | 2024 RMB'000 | 2023 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 (note below) | **13,000,000** | 13,000,000 |
| | **24,300,005** | 25,348,756 |

Note: The Company entered into sales and purchase agreements with vendors of which, the beneficial owner is the Chairman of the Company, for the acquisition of certain target companies at total consideration of RMB13,000,000,000. The transaction was approved at an extraordinary general meeting of the Company held on 2 July 2021 and had not been completed as at the date of the report. Further details of the acquisition can be found in the announcements of the Company dated 27 March 2021 and 27 May 2021.

### (b) Lease commitments

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

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

As at 31 December 2024 and 31 December 2023, the Group leases staff quarters, offices and office equipment with a lease period of twelve months, which are qualified to be accounted for under low-value assets and short-term lease exemption under HKFRS 16 Leases.

### (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 RMB'000 | 2023 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 |

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## 46. COMMITMENTS (Continued)

### (c) Operating lease rentals receivable (Continued)

The Group leases its investment properties (Note 19) under operating lease arrangements which run for an initial period of one to twenty-one (2023: one to twenty-one) years, with an option to renew the lease and renegotiated the terms at the expiry date or at the dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits.

## 47. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The management review the Group's capital structure periodically.

Consistent with other property developers that have significant operations in the PRC in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings, as shown in the consolidated statement of financial position) less cash and bank balances and restricted bank balances and cash.

| | **2024** **RMB'000** | 2023 RMB'000 |
|---|---|---|
| Total borrowings of the Group | **135,073,562** | 133,624,017 |
| Less: Bank balances and cash | **(2,390,360)** | (3,401,055) |
| Net debt of the Group | **132,683,202** | 130,222,962 |
| Total (deficit) equity of the Group | **(31,741,800)** | 7,724,355 |

The Group is required to comply with a number of covenants under the terms of the major borrowing facilities. During the year ended 31 December 2024, the Group did not comply terms of certain bank and other borrowings loan agreements and details of which are set out in Note 35.

The Group's overall strategy in capital management remains unchanged from prior year.

## 48. FINANCIAL INSTRUMENTS BY CATEGORY

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Assets as per consolidated statement of financial position** | | |
| Financial assets at amortised cost | | |
| – Trade receivables, deposits and other receivables, excluding prepayments and prepaid other taxes | **34,573,564** | 41,365,336 |
| Bank balances and cash | | |
| – Restricted bank balance and cash | **1,692,711** | 2,406,284 |
| – Cash and bank balances | **697,649** | 994,771 |
| | **36,963,924** | 44,766,391 |
| Financial assets at FVTPL | | |
| – Financial assets at FVTPL | **2,244,500** | 5,530,822 |
| | **39,208,424** | 50,297,213 |
| **Liabilities as per consolidated statement of financial position** | | |
| Financial liabilities at amortised cost | | |
| Accrued construction costs | **11,517,764** | 8,695,203 |
| Other payables, excluding deed tax and other tax payables | **58,329,876** | 43,590,596 |
| Lease liabilities | **571,010** | 576,805 |
| Borrowings | **135,073,562** | 133,624,017 |
| | **205,492,212** | 186,486,621 |

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group conducts its operations in the PRC and is subject to special considerations and significant risks. These include risks associated with, among others, the political, economic and legal environment, influence of national authorities over pricing regulation and competition in the industry.

The Group's major financial instruments include financial assets at FVTPL, debtors, deposits and other receivables (excluding prepayments and prepaid other taxes), cash and bank balances, restricted bank balances and cash, accrued construction costs, other payables (excluding deed tax and other tax payables), lease liabilities, and borrowings. Details of these financial instruments are disclosed in respective notes. The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

### (a) Financial risk factors

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The property industry is highly sensitive to the economic environment in the PRC, which will affect the volumes of property transactions and selling prices. The Group mainly relies on sales of properties and borrowings to fund its operations.

Risk management is carried out by the Group's management under the supervision of the directors. The Group's management identifies, evaluates and manages significant financial risks in the Group's individual operating units. The directors provide guidance for overall risk management.

#### (i) Market risk

*(1) Foreign exchange risk*

The Group's businesses are principally conducted in RMB, except that some of the borrowings are denominated in other currencies. As at 31 December 2024 and 2023, the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective reporting dates are as follows:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Monetary assets** | | |
| United States Dollars ("US$") | **1,034,740** | 1,283,568 |
| Hong Kong Dollars ("HK$") | **1,307,741** | 863,014 |
| | **2,342,481** | 2,146,582 |
| **Monetary liabilities** | | |
| US$ | **85,529,012** | 83,968,730 |
| HK$ | **441,814** | 499,728 |
| | **85,970,826** | 84,468,458 |

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

#### (i) Market risk (Continued)

*(1) Foreign exchange risk* (Continued)

The following table shows the sensitivity analysis of a 5% change in RMB against the relevant foreign currencies. The sensitivity analysis includes only foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates. If there is a 5% increase/(decrease) in RMB against the relevant currencies, the effect of increase/(decrease) (2023: increase/(decrease)) in the loss (2023: loss) for the year is as follows:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **Sensitivity rate %** | **Increase/ (Decrease) in profit or loss and equity RMB'000** | Sensitivity rate % | Increase/ (Decrease) in profit or loss and equity RMB'000 |
| USD | **5%** | **4,224,714** | 5% | 4,134,258 |
| HKD | **5%** | **(43,296)** | 5% | (18,164) |

*(2) Interest rate risk*

The Group's interest-bearing assets and liabilities are mainly restricted bank balances and cash, long-term and short-term bank deposits, cash and bank balances, certain bank and other borrowings, senior notes and convertible bonds. Restricted bank balances and cash, long-term and short-term bank deposits, cash and bank balances, and certain bank and other borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Senior notes, certain bank and other borrowings, convertible bonds and lease liabilities issued at fixed rates expose the Group to fair value interest-rate risk. The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, management will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2024, if interest rates on assets and liabilities had been increased/decreased by 100 (2023: 100) basis point with all variables held constant, the Group's post-tax loss for the year would have been RMB23,904,000 decreased/increased (2023: the Group's post-tax loss for the year would have been RMB34,011,000 decreased/increased). Majority of the interest expenses would be capitalised as a result of such interest expenses directly attributable to the property construction.

*(3) Price risk*

The Group's exposure to equity securities and debt securities price risk arises from investments held by the Group and classified in the Group's consolidated statement of financial position as at FVTPL. The Group regularly monitors the fluctuation of the price and assesses the impact on the Group's consolidated financial statements.

The table below summarises the impact of increases or decreases of price of the stocks and debt securities, which the Group purchased, on the Group's equity as at 31 December 2024. The analysis is based on the assumption that the stock price increased by 5% or decreased by 5% with all other variables held constant, and that all the Group's equity instruments moved in line with the price of each stock.

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| Price of each stock – increases by 5% | **45,376** | 48,399 |
| Price of each stock – decreases by 5% | **(45,376)** | (48,399) |

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group's credit risk primarily arises from trade receivables, deposits and other receivables (excluding prepayments and prepaid other taxes), restricted bank balances and cash and bank balances. In respect of the Group's trade receivables, the Group has policies in place to ensure that sales are made to buyers with an appropriate financial strength and appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For properties that are still under construction and the buyers choose to pay by bank mortgage, the Group typically provides guarantees to banks in connection with the buyers' borrowing of mortgage loans to finance their purchases of the properties. If a buyer defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the buyer's deposits and sell the property to recover any amounts paid by the Group to the bank. In this regard, the directors consider that the Group's credit risk is mitigated. In addition, the Group reviews regularly the recoverable amount of each individual trade receivable to ensure that adequate impairment losses are made for irrecoverable amounts. Having considered the slow recovery of the PRC's economy, in particular, the real estate sector, an expected credit loss of trade receivables of approximately RMB659,415,000 (2023: RMB74,587,000) was recognised for the year ended 31 December 2024.

The Group has arranged bank financing for certain purchasers of property units and provided guarantees to secure obligations of such purchasers for repayments. No credit limits were exceeded during the year, and management does not expect any significant losses from non-performance by these counterparties.

The Group also provided guarantees in respect of certain borrowings of the Group's associates and joint ventures and third parties. The maximum exposure of such guarantees are the principal amounts borrowed by the associates and joint ventures, which has been disclosed in Note 45. As at 31 December 2024, the Group has recognised a financial liability in respect of these guarantees of RMB2,355,385,000 (2023: RMB2,427,710,000) (see note 33).

The credit risk of restricted bank balances and cash and bank balances is limited because the counterparties are either state-owned banks located in the PRC or banks with high credit ratings.

For the Group's financial assets measured at amortised cost that include other receivables, other deposits, amounts due from joint ventures, associates and non-controlling interests of subsidiaries, management makes periodic collective assessments as well as individual assessment on the recoverability of these receivables based on historical settlement records, past experience and forward-looking information. An expected credit loss including the direct written off of financial assets of approximately RMB4,946,860,000 (2023: RMB2,453,616,000) was recognised for the year ended 31 December 2024 due to the economic environment in which property developers in the PRC operate.

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating.
- external credit rating, if any.
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations.
- significant increases in credit risk on other financial instruments of the individual property owner or the same borrower.

The Group uses four categories for those receivables which reflect their credit risk and how the loss provision is determined for each of those categories.

*(1) Trade receivables*

The Group applies the simplified approach to providing for ECL prescribed by HKFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the ECL of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As at 31 December 2024 and 2023, there was no concentration of credit risk with respect to trade receivables as the Group has a large number of customers. Credit losses for trade receivables are assessed on both individual and collective basis.

The loss allowance provision for trade receivables as at 31 December 2024 and 2023 is determined as follows, the ECL provision below also incorporate forward-looking information.

| | Current | More than 180 days past due | More than 1 year past due | Total |
|---|---|---|---|---|
| **2024** | | | | |
| Expected loss rate | **13.8%** | **17.4%** | **44.4%** | |
| Gross carrying amount (note 28(a)) (RMB'000) | **569,507** | **394,208** | **798,783** | **1,762,498** |
| Loss allowance provision (note 28(a)) (RMB'000) | **78,645** | **68,713** | **354,598** | **501,956** |

| | Current | More than 180 days past due | More than 1 year past due | Total |
|---|---|---|---|---|
| 2023 | | | | |
| Expected loss rate | 1.0% | 9.2% | 24.9% | |
| Gross carrying amount (note 28(a)) (RMB'000) | 1,184,645 | 201,727 | 656,379 | 2,042,751 |
| Loss allowance provision (note 28(a)) (RMB'000) | 12,049 | 18,493 | 163,166 | 193,708 |

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## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

*(2) Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries*

For financial assets measured at amortised cost include other receivables, other deposits, amounts due from joint ventures, associates and non-controlling interests of subsidiaries, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on the consideration of historical settlement records, past experience and forward-looking information. Credit losses for deposits and other receivables (excluding prepayments and prepaid other taxes) are assessed on both individual and collective basis.

Various categories adopted by the Group for the expected loss assessment on the Group's deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries) are as follows:

| Category | Group definition of category | Basis for recognition of ECL provision |
|---|---|---|
| Performing | Debtors have a low risk of default or there has not been significant increase in credit risk | 12 months expected losses |
| Underperforming | Receivables for which the credit risk has increased significantly since initial recognition; as significant increase in credit risk is presumed if interest and/or principal repayments are more than 180 days past due | Lifetime expected losses |
| Non-performing | Interest and/or principal repayments are more than 1 year to 3 years past due and there is no reasonable expectation of recovery | Lifetime expected losses/asset is written off |

The Group accounts for its credit risk by appropriately providing for ECL on a timely basis. In calculating the ECL rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

*(2) Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries* (Continued)

As at 31 December 2024 and 2023, the Group provides for credit losses against other receivables, other deposits, amounts due from joint ventures, associates and non-controlling interests of subsidiaries as follows:

| Group's internal credit rating | Expected credit loss rates | Basis for recognition of expected credit loss provision | Gross carrying amount RMB'000 | ECL provision RMB'000 | Carrying amount (net of ECL) RMB'000 |
|---|---|---|---|---|---|
| **As at 31 December 2023** | | | | | |
| Performing | 1%-11% | 12 months expected losses | 30,579,837 | (384,933) | 30,194,904 |
| Underperforming | 11%-21% | Lifetime expected losses | 9,322,754 | (1,018,977) | 8,303,777 |
| Non-performing | 31%-100% | Lifetime expected losses | 2,693,865 | (1,676,253) | 1,017,612 |
| Total | | | 42,596,456 | (3,080,163) | 39,516,293 |
| **As at 31 December 2024** | | | | | |
| Performing | **1%-11%** | **12 months expected losses** | **26,277,855** | **(965,915)** | **25,311,940** |
| Underperforming | **11%-21%** | **Lifetime expected losses** | **3,395,981** | **(371,181)** | **3,024,800** |
| Non-performing | **31%-100%** | **Lifetime expected losses** | **7,742,080** | **(2,765,798)** | **4,976,282** |
| Total | | | **37,415,916** | **(4,102,894)** | **33,313,022** |

As at 31 December 2024, the cumulative ECL recognised on amounts due from associates, joint ventures and non-controlling interests of subsidiaries were amounted to RMB266,763,000, RMB1,365,388,000 and RMB581,560,000 respectively (2023: RMB507,356,000, RMB870,496,000 and RMB139,893,000 respectively).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

#### (ii) Credit risk (Continued)

*(2) Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries* (Continued)

The loss allowance provision for amounts due from joint ventures, associates and non-controlling interests of subsidiaries) as at 31 December 2024 reconciles to the opening loss allowance for that provision as follows:

| | Loss allowance | | | |
|---|---|---|---|---|
| | Amounts due from associates RMB'000 | Amounts due from joint ventures RMB'000 | Amounts due from non-controlling interests of subsidiaries RMB'000 | Total RMB'000 |
| As at 1 January 2024 | 507,356 | 870,496 | 139,893 | 1,517,745 |
| Provision (reversed) recognised in profit or loss during the year | (240,593) | 494,892 | 441,667 | 695,966 |
| As at 31 December 2024 | **266,763** | **1,365,388** | **581,560** | **2,213,711** |

No significant change to estimation techniques or assumptions was made during the year.

The loss allowance provision for deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries) as at 31 December 2024 and 2023 reconciles to the opening loss allowance for that provision as follows:

| | Loss allowance | | | |
|---|---|---|---|---|
| | Performing RMB'000 | Underperforming RMB'000 | Non-performing RMB'000 | Total RMB'000 |
| As at 1 January 2023 | 507,647 | 836,458 | 1,783,306 | 3,127,411 |
| Transfers | (243,317) | 243,317 | – | – |
| Written-off | – | – | (852,299) | (852,299) |
| Provision recognised (reversed) in profit or loss during the year | 120,603 | (60,798) | 745,246 | 805,051 |
| As at 31 December 2023 and 1 January 2024 | **384,933** | **1,018,977** | **1,676,253** | **3,080,163** |
| Transfers | **(30,040)** | **(800,687)** | **830,727** | **–** |
| Written-off | **–** | **–** | **(3,924,129)** | **(3,924,129)** |
| Provision recognised in profit or loss during the year | **611,022** | **152,891** | **4,182,947** | **4,946,860** |
| As at 31 December 2024 | **965,915** | **371,181** | **2,765,798** | **4,102,894** |

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

(ii) Credit risk (Continued)

*(2) Deposits and other receivables (excluding trade receivables, prepayments and prepaid other taxes but including amounts due from joint ventures, associates and non-controlling interests of subsidiaries* (Continued)

Summary of movements in ECL allowances for trade receivables, deposits and other receivables (excluding prepayments and prepaid other taxes) are as following:

| | Trade receivables RMB'000 | Loss allowance Deposits and other receivables (excluding prepayments and prepaid other taxes) RMB'000 | Total RMB'000 |
|---|---|---|---|
| As at 1 January 2023 | 126,118 | 3,127,411 | 3,253,529 |
| Written-off | (6,997) | (852,299) | (859,296) |
| Provision recognised in profit or loss during the year | 74,587 | 805,051 | 879,638 |
| As at 31 December 2023 and 1 January 2024 | **193,708** | **3,080,163** | **3,273,871** |
| Written-off | **(351,167)** | **(3,924,129)** | **(4,275,296)** |
| Provision recognised in profit or loss during the year | **659,415** | **4,946,860** | **5,606,275** |
| As at 31 December 2024 | **501,956** | **4,102,894** | **4,604,850** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (a) Financial risk factors (Continued)

#### (iii) Liquidity risk

Management aims at maintain sufficient cash and bank balances or having available funding through an adequate amount of available financing, including proceeds from pre-sale of properties, short-term bank and other borrowings to meet its construction commitments. However, as explained in note 2.2, due to the unfavorable market condition in the property market in the PRC, the Group did not repay certain liabilities upon contractual maturities during and subsequent to the year ended 31 December 2024. Various plans and measures as explained in note 2.2 have been in process to help mitigate the Group's liquidity and financial position.

The table below analyses the Group's financial liabilities into relevant maturity groupings taking into account the contractual terms of the Group's financial liabilities. The amounts disclosed in the table below are the contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay. The "on demand or within 1 year" category includes the Group's liabilities that had become default or cross-default as at 31 December 2024.

| | On demand or within 1 year RMB'000 | Between 1 and 2 years RMB'000 | Between 2 and 5 years RMB'000 | Over 5 years RMB'000 | Total RMB'000 |
|---|---|---|---|---|---|
| As at 31 December 2023 | | | | | |
| Accrued construction costs | 8,695,203 | – | – | – | 8,695,203 |
| Borrowings | 121,198,934 | 2,848,869 | 6,324,645 | 11,576,286 | 141,948,734 |
| Other payables | 43,584,720 | 5,876 | – | – | 43,590,596 |
| Lease liabilities | 162,231 | 100,101 | 300,304 | 97,900 | 660,536 |
| | 173,641,088 | 2,954,846 | 6,624,949 | 11,674,186 | 194,895,069 |
| As at 31 December 2024 | | | | | |
| Accrued construction costs | **11,517,764** | **–** | **–** | **–** | **11,517,764** |
| Borrowings | **120,698,805** | **7,290,340** | **12,297,835** | **2,274,772** | **142,561,752** |
| Other payables | **58,325,443** | **4,433** | **–** | **–** | **58,329,876** |
| Lease liabilities | **170,758** | **90,850** | **272,551** | **112,816** | **646,975** |
| | **190,712,770** | **7,385,623** | **12,570,386** | **2,387,588** | **213,056,367** |

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (b) Fair value estimation

The different levels of the financial instruments carried at fair value, by valuation method, have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices, and not using significant unobservable inputs) (level 2).
- Significant inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets that are measured at fair value:

| | Level 1 RMB'000 | Level 2 RMB'000 | Level 3 RMB'000 | Total RMB'000 |
|---|---|---|---|---|
| As at 31 December 2023 | | | | |
| Assets | | | | |
| Financial assets at FVTPL | 967,978 | 1,170,656 | 3,392,188 | 5,530,822 |
| **As at 31 December 2024** | | | | |
| **Assets** | | | | |
| Financial assets at FVTPL | **907,510** | **993,480** | **343,510** | **2,244,500** |

There was no transfer into or out of level 3 during the year ended 31 December 2024 and 2023.

The nominal value less impairment provisions of debtors and other receivables and the nominal value of accrued construction costs and other payables approximate their fair value due to their short maturities. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (b) Fair value estimation (Continued)

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(ii) Financial instruments in level 2

As at 31 December 2024, the fair value of financial instruments in level 2 comprises of unlisted managed funds which are determined based on information provided by quoted market makers and net asset values of the related funds provided by relevant financial institutions, which reflect the fair value of the underlying investments.

(iii) Financial instruments in level 3

Information about level 3 financial derivatives' fair value measurements is set out below:

The following table presents the changes in level 3 financial assets for the year ended 31 December 2024 and 2023:

| | **2024 RMB'000** | 2023 RMB'000 |
|---|---|---|
| As at 1 January | **3,392,188** | 4,575,269 |
| Additions | **–** | 41,741 |
| Disposal | **(16,381)** | (67,222) |
| Disposal of subsidiaries | **(4,000)** | – |
| Net fair value loss recognised in profit or loss | **(113,874)** | (1,152,823) |
| Transferred to other receivables | **(2,913,256)** | – |
| Exchange realignment | **(1,167)** | (4,777) |
| As at 31 December | **343,510** | 3,392,188 |

Additions and derecognition of financial assets during the year ended 31 December 2024 mainly represented unlisted equity securities.

For the Group's financial assets measured at FVTPL under the level 3 category, the net fair value loss on the financial assets at FVTPL for the year ended 31 December 2024 amounting to about RMB113,874,000 (2023: RMB1,152,823,000) which was recognised in the profit or loss for the year ended 31 December 2024.

## 49. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

### (b) Fair value estimation (Continued)

(iii) Financial instruments in level 3 (Continued)

The fair values of the Group's major investments in unlisted equity securities as at 31 December 2024 and 31 December 2023 are determined by using the market approach model, revalued by independent qualified valuers. The fair value of other financial asset included in note 24 as at 31 December 2024 is determined by using the income approach model, revalued by independent valuation experts. The valuation techniques and significant unobservable inputs of the financial assets at FVTPL and derivative financial instruments are as follows:

| Financial assets | Range | Valuation techniques | Significant unobservable inputs | Sensitivity relationship of unobservable inputs to fair value |
|---|---|---|---|---|
| Unlisted equity securities | 0.63 to 10.26 (2023: 0.45 to 6.67) | Market approach | Price to book ratios | Increase/(decrease) in price to book ratios would result in increase/ (decrease) in fair value |
| | 20.5% (2023: 20.5%) | | Discount for lack of marketability | Increase/(decrease) in discount rate would result in (decrease)/increase in fair value |
| Other financial asset | 0% (2023: 2%) | Income approach | Expected growth rate | Increase/(decrease) in expected growth rate would result in increase/(decrease) in fair value |
| | 13% (2023: 12%) | | Discount rate | Increase/(decrease) in discount rate would result in (decrease)/increase in fair value |

The discount for lack of marketability represents the amounts of premiums and discounts determined by the Group that market participants would take into account when pricing the investments.

*Other fair value disclosures*

The carrying amounts of the Group's financial instruments carried at amortised cost were not materially different from their fair values as at 31 December 2024 and 2023 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | **Carrying amount RMB'000** | **Fair value RMB'000** | Carrying amount RMB'000 | Fair value RMB'000 |
| **Borrowings** | | | | |
| – Senior notes | **83,273,840** | **4,959,984** | 82,049,361 | 3,042,735 |

The Group does not have any financial assets/liabilities that are subject to offsetting, enforceable master netting arrangement and similar agreements during the years ended 31 December 2024 and 2023.

## 50. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES/NET DEBT RECONCILIATION

| | Amount due to associates RMB'000 | Amount duo to joint ventures RMB'000 | Amount due to non-controlling interests RMB'000 | Borrowings RMB'000 | Lease liabilities RMB'000 |
|---|---|---|---|---|---|
| As at 31 January 2023 | 1,796,207 | 1,004,544 | 702,883 | 134,167,949 | 595,122 |
| Proceeds from bank and other borrowings | – | – | – | 1,587,104 | – |
| Repayments of bank and other borrowings | – | – | – | (2,040,061) | – |
| (Repayments) advances, net | (155,714) | 470,124 | 2,701 | – | – |
| Payment of lease liabilities | – | – | – | – | (87,881) |
| Total change from financial cash flows | 1,640,493 | 1,474,668 | 705,584 | 133,714,992 | 507,241 |
| Non-cash changes | | | | | |
| – exchange differences | – | – | – | 1,389,045 | – |
| – finance expenses recognised | – | – | – | 12,528,134 | 2,084 |
| Other changes (note) | – | – | – | (13,510,100) | 80,047 |
| Acquisitions of subsidiaries | – | – | – | 151,946 | – |
| Disposals of subsidiaries | – | – | – | (650,000) | (12,567) |
| As at 31 December 2023 and 1 January 2024 | **1,640,493** | **1,474,668** | **705,584** | **133,624,017** | **576,805** |
| Proceeds from bank and other borrowings | **–** | **–** | **–** | **64,556** | **–** |
| Repayments of bank and other borrowings | **–** | **–** | **–** | **(1,043,140)** | **–** |
| Repayments, net | **122,734** | **(176,428)** | **(704)** | **–** | **–** |
| Payment of lease liabilities | **–** | **–** | **–** | **–** | **(93,511)** |
| Total change from financial cash flows | **1,763,227** | **1,298,240** | **704,880** | **132,645,433** | **483,294** |
| Non-cash changes | | | | | |
| – exchange differences | **–** | **–** | **–** | **1,224,479** | **–** |
| – finance expenses recognised | **–** | **–** | **–** | **13,927,041** | **526** |
| Other changes (note) | **(700,000)** | **2,875,196** | **–** | **(13,927,041)** | **87,190** |
| Acquisitions of subsidiaries | **–** | **291,381** | **–** | **1,494,710** | **–** |
| Disposals of subsidiaries | **–** | **–** | **–** | **(291,060)** | **–** |
| As at 31 December 2024 | **1,063,227** | **4,464,817** | **704,880** | **135,073,562** | **571,010** |

Note:

Other changes mainly represent the interest capitalisation, additions to new lease liabilities, decrease in other payables included in operating activities, and non-cash transactions

## 51. MAJOR NON-CASH TRANSACTIONS

Saved as disclosed elsewhere in these consolidated financial statements, the Group did not have any other material non-cash investing and financing activities for both years.

## 52. RELATED PARTY TRANSACTIONS

The Company is ultimately controlled by Mr. Kwok Ying Shing (the "Controlling Shareholder").

Saved as disclosed elsewhere in the consolidated financial statements, the Group had the following significant transactions and balances with related parties.

### (a) Transactions with related parties

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Other income from associates | **3,337** | 4,973 |
| Other income from joint ventures | **13,246** | 17,015 |
| Property management fee income from associates | **22,839** | 24,424 |
| Property management fee income from joint ventures | **61,001** | 85,783 |
| Other expenses paid to associates | **284** | – |
| Other expenses paid to joint ventures | **16,367** | – |
| Rental expenses charged by a Controlling Shareholder (Note below) | **570** | 1,140 |

Note: This represents payment of rental expenses for various office premises to a Controlling Shareholder, Mr. Kwok Ying Shing. The rental expenses paid during the year was determined at prevailing market rate of respective office premise.

### (b) Balances with related parties

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Loan from a related company (note 35) | **(108,781)** | (108,781) |
| Loan from the controlling shareholder of the Company (note 35) | **(115,000)** | (115,000) |
| Trade receivable from associates, net of ECL | **202,219** | 195,830 |
| Trade receivable from joint ventures, net of ECL | **544,268** | 506,599 |
| Amounts due from associates, net of ECL (note 28) | **2,751,573** | 10,919,295 |
| Amounts due from joint ventures, net of ECL (note 28) | **14,027,935** | 14,838,048 |
| Amounts due to associates (note 33) | **(1,063,227)** | (1,640,493) |
| Amounts due to joint ventures (note 33) | **(4,464,817)** | (1,474,668) |
| Interest payable to a related company (included in accrued interest in other payables) | **(235,535)** | (235,535) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 52. RELATED PARTY TRANSACTIONS (Continued)

### (c) Key management compensation

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| Directors' fee | **822** | 816 |
| Salaries and other short-term employee benefits | **34,697** | 57,172 |
| Discretionary bonuses | **55** | 95 |
| Retirement scheme contributions | **503** | 757 |
| Share-based payments | **943** | 1,724 |
| | **37,020** | 60,564 |

## 53. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

The statement of financial position of the Company as at 31 December 2024 is as following:

| | 2024 RMB'000 | 2023 RMB'000 |
|---|---|---|
| **Non-current assets** | | |
| Investments in subsidiaries | **53,907,270** | 89,111,471 |
| **Current assets** | | |
| Deposits and other receivables | **146** | 34,545 |
| Cash and bank balances | **4,772** | 5,368 |
| | **4,918** | 39,913 |
| **Current liabilities** | | |
| Borrowings | **82,731,181** | 82,258,226 |
| Other payables | **30,780,610** | 19,386,010 |
| | **113,511,791** | 101,644,236 |
| **Net current liabilities** | **(113,506,873)** | (101,604,323) |
| **Total assets less current liabilities** | **(59,599,603)** | (12,492,852) |
| **Net liabilities** | **(59,599,603)** | (12,492,852) |
| **EQUITY** | | |
| Share capital | **613,530** | 613,530 |
| Share premium | **6,376,801** | 6,376,801 |
| Perpetual capital securities | **1,350,054** | 1,350,054 |
| Reserves | **(67,939,988)** | (20,833,237) |
| **Deficiency of shareholders' equity** | **(59,599,603)** | (12,492,852) |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 53. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

(Continued)

The movements of the reserve of the Company are as following:

| | Share option reserve RMB'000 | Accumulated losses RMB'000 | Total RMB'000 |
|---|---|---|---|
| As at 1 January 2023 | 350,546 | (6,426,219) | (6,075,673) |
| Loss and total comprehensive expenses for the year | – | (14,559,418) | (14,559,418) |
| Share-based payment | 5,096 | – | 5,096 |
| Share options lapsed | (203,242) | – | (203,242) |
| As at 31 December 2023 and 1 January 2024 | **152,400** | **(20,985,637)** | **(20,833,237)** |
| Loss and total comprehensive expenses for the year | **–** | **(47,109,537)** | **(47,109,537)** |
| Share-based payment | **2,786** | **–** | **2,786** |
| Share options lapsed | **(130,351)** | **130,351** | **–** |
| As at 31 December 2024 | **24,835** | **(67,964,823)** | **(67,939,988)** |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES

### (a) General information of subsidiaries

Particulars of the principal subsidiaries of the Company at the end of each reporting period are as following:

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 今盛工程管理諮詢(深圳)有限公司 ("Jinsheng Engineering Management Consulting (Shenzhen) Co., Ltd.") | the PRC; 27 July 2001 | Limited liability company | HK$714,000,000 | **100%** | 100% | Property development |
| 佳兆業城市更新集團(深圳)有限公司 ("Kaisa Urban Redevelopment Group (Shenzhen) Co., Ltd.") | the PRC; 26 March 2004 | Limited liability company | RMB15,190,000 | **100%** | 100% | Property development |
| 佳兆業集團(深圳)有限公司 ("Kaisa Group (Shenzhen) Co., Ltd.") | the PRC; 3 June 1999 | Limited liability company | RMB2,826,163,980 | **100%** | 100% | Property development |
| 深圳市南澳佳兆業房地產開發有限公司 ("Shenzhen Nanao Kaisa Property Development Co., Ltd.") | the PRC; 15 February 2004 | Limited liability company | RMB640,000,000 | **100%** | 100% | Property development |
| 惠州燦榮房產有限公司 ("Huizhou Canrong Property Ltd.") | the PRC; 14 January 1994 | Limited liability company | RMB35,926,506 | **100%** | 100% | Property development |
| 兆瑞景酒店置業管理(綏中)有限公司 ("Zhaoruijing Hotel Zhiye Management (Suizhong) Co., Ltd.") | the PRC; 20 December 2010 | Limited liability company | HK$68,300,000 | **100%** | 100% | Hotel management |
| 可域酒店置業管理(綏中)有限公司 ("Leisure Land Hotel Zhiye Management (Suizhong) Co., Ltd.") | the PRC; 20 December 2010 | Limited liability company | RMB144,653,000 | **100%** | 100% | Hotel management |
| 佳兆業置業(南充)有限公司 ("Kaisa Zhiye (Nanchong) Co., Ltd.") | the PRC; 28 December 2010 | Limited liability company | RMB850,000,000 | **100%** | 100% | Property development |
| 佳兆業地產(本溪)有限公司 ("Kaisa Real Estate (Benxi) Co., Ltd.") | the PRC; 7 March 2011 | Limited liability company | HK$210,000,000 | **100%** | 100% | Property development |
| 珠海市佳兆業房地產開發有限公司 ("Zhuhai Kaisa Property Development Co., Ltd.") | the PRC; 9 June 2011 | Limited liability company | RMB518,000,000 | **100%** | 100% | Property development |
| 佳兆業旅遊開發有限公司 ("Kaisa Tourism Development Co., Ltd.") | the PRC; 15 July 2011 | Limited liability company | HK$93,600,000 | **100%** | 100% | Property development |

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 佳兆業地產(綏中)有限公司 ("Kaisa Property (Suizhong) Co., Ltd.") | the PRC; 15 July 2011 | Limited liability company | HK$246,500,000 | **100%** | 100% | Property development |
| 佳兆業新都置業(青島)有限公司 ("Kaisa Xindu Zhiye (Qingdao) Co., Ltd.") | the PRC; 18 February 2013 | Limited liability company | US$60,000,000 | **100%** | 100% | Property development |
| 珠海市展大房地產開發有限公司 ("Zhuhai Zhanda Property Development Co., Ltd.") | the PRC; 11 April 1992 | Limited liability company | RMB98,040,000 | **100%** | 100% | Property development |
| 佳兆業物業管理(深圳)有限公司 ("Kaisa Property Management (Shenzhen) Co., Ltd.") | the PRC; 20 October 1999 | Limited liability company | RMB310,000,000 | **100%** | 100% | Property development |
| 佳兆業商業集團有限公司 ("Kaisa Commerce Group Co., Ltd.") | the PRC; 19 July 2004 | Limited liability company | RMB1,000,000,000 | **100%** | 100% | Commerce management |
| 深圳市吉利隆實業有限公司 ("Shenzhen Jililong Shiye Co., Ltd.") | the PRC; 21 March 1997 | Limited liability company | RMB12,000,000 | **100%** | 100% | Property development |
| 廣州金貿房地產開發有限公司 ("Guangzhou Jinmao Property Development Co., Ltd.") | the PRC; 27 October 2005 | Limited liability company | RMB202,500,000 | **100%** | 100% | Property development |
| 東莞市佳兆業房地產開發有限公司 ("Dongguan Kaisa Property Development Co., Ltd.") | the PRC; 6 September 2004 | Limited liability company | RMB38,000,000 | **100%** | 100% | Property development |
| 東莞市盈盛房地產開發有限公司 ("Dongguan Yingsheng Property Development Co., Ltd.") | the PRC; 3 March 2006 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 惠州市佳博房地產開發有限公司 ("Huizhou Jiabo Property Development Co., Ltd.") | the PRC; 14 September 2007 | Limited liability company | RMB1,000,000 | **100%** | 100% | Property development |
| 東莞市盈雁房地產開發有限公司 ("Dongguan Yingyan Property Development Co., Ltd.") | the PRC; 4 July 2008 | Limited liability company | RMB10,000,000 | **80%** | 80% | Property development |
| 成都佳兆業投資有限公司 ("Chengdu Kaisa Investment Co., Ltd.") | the PRC; 22 June 2007 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 東莞市盈泰房地產開發有限公司 ("Dongguan Yingtai Property Development Co., Ltd.") | the PRC; 4 January 2007 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 南充市佳兆業房地產有限公司 ("Nanchong Kaisa Property Co., Ltd.") | the PRC; 10 December 2010 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 深圳市橫崗佳兆業投資諮詢有限公司 ("Shenzhen Henggang Kaisa Investment Consulting Co., Ltd.") | the PRC; 3 June 2011 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 鞍山君匯上品房地產開發有限公司 ("Anshan Junhuishangpin Property Development Co., Ltd.") | the PRC; 28 June 2011 | Limited liability company | RMB152,825,200 | **100%** | 100% | Property development |
| 萬瑞發地產(鞍山)有限公司 ("Wan Rui Fa Property (Anshan) Co., Ltd.") | the PRC; 28 June 2011 | Limited liability company | US$19,115,864 | **100%** | 100% | Property development |
| 東莞市城市綠洲花園房地產開發有限公司 ("Dongguan City Oasis Garden Property Development Co., Ltd.") | the PRC; 21 October 2011 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 上海向益管理諮詢有限公司 ("Shanghai Xiangyi Management Consulting Co., Ltd.") | the PRC; 3 November 2011 | Limited liability company | RMB25,000,000 | **100%** | 100% | Investment holding |
| 重慶深聯投資有限公司 ("Chongqing Shenlian Investment Co., Ltd.") | the PRC; 22 August 2012 | Limited liability company | RMB20,000,000 | **60%** | 60% | Property development |
| 東莞市禦龍山房地產開發有限公司 ("Dongguan Yulongshan Property Development Co., Ltd.") | the PRC; 9 April 2013 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 重慶談訊物聯網科技有限公司 ("Chongqing Tanxun Wulianwang Technology Co., Ltd.") | the PRC; 13 November 2013 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 佳兆業電子商務(深圳)有限公司 ("Kaisa E-Commerce (Shenzhen) Co., Ltd.") | the PRC; 24 February 2014 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 深圳市一號倉佳速網絡有限公司 ("Shenzhen No.1 Warehouse Fast Network Co., Ltd.") | the PRC; 9 December 2014 | Limited liability company | RMB10,000,000 | **100%** | 100% | Computer technology |

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 武漢市海鼎置業有限責任公司 ("Wuhan Haiding Property Co., Ltd.") | the PRC; 22 November 2002 | Limited liability company | RMB30,000,000 | **100%** | 100% | Property development |
| 重慶市新事通房地產開發有限公司 ("Chongqing Xinshitong Real Estate Development Co., Ltd.") | the PRC; 27 December 2016 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 深圳三聯肯渡製藥股份有限公司 ("Shenzhen Sanlian Kendu Pharmaceutical Co., Ltd.") | the PRC; 25 September 1995 | Limited liability company | RMB100,000,000 | **70%** | 70% | Property development |
| 紹興鴻佳置業有限公司 ("Shaoxing Hongjia Housing Co., Ltd.") | the PRC; 25 July 2016 | Limited liability company | RMB30,000,000 | **100%** | 100% | Property development |
| 珠海市佳駿投資有限公司 ("Zhuhai Jia Jun Investment Company Limited") | the PRC; 18 May 2017 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 新鄭市佳兆業房地產開發有限公司 ("Xinzheng Henderson Real Estate Development Company Limited") | the PRC; 14 July 2017 | Limited liability company | RMB400,000,000 | **100%** | 100% | Property development |
| 中山富澤房地產開發有限公司 ("Zhongshan Fuze Real Estate Development Co., Ltd.") | the PRC; 17 March 2015 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 杭州佳欣置業有限公司 ("Hangzhou Jiaxin Zhiye Co., Ltd.") | the PRC; 18 September 2017 | Limited liability company | RMB40,932,200 | **100%** | 100% | Property development |
| 嘉善尚灣房地產開發有限公司 ("Jiashan Shangwan Real Estate Development Co., Ltd.") | the PRC; 13 October 2017 | Limited liability company | RMB16,000,000 | **0%**[#] | 51% | Property development |
| 深圳市桂芳園實業有限公司 ("Shenzhen Woodland Height Shiye Co., Ltd.") | the PRC; 13 October 2003 | Limited liability company | RMB500,000,000 | **100%** | 100% | Property development |
| 深圳市龍崗佳兆業房地產開發有限公司 ("Shenzhen Longgang Kaisa Property Development Co., Ltd.") | the PRC; 14 November 2006 | Limited liability company | RMB204,680,000 | **100%** | 100% | Property development |
| 成都南興銀基房地產開發有限公司 ("Chengdu Nanxing Yinji Property Development Co., Ltd.") | the PRC; 5 November 2004 | Limited liability company | RMB420,000,000 | **100%** | 100% | Property development |

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For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 湖南佳兆業房地產開發有限公司 ("Hunan Kaisa Property Development Co., Ltd.") | the PRC; 22 August 2007 | Limited liability company | RMB220,000,000 | **100%** | 100% | Property development |
| 深圳市大鵬佳兆業房地產開發有限公司 ("Shenzhen Dapeng Kaisa Property Development Co., Ltd.") | the PRC; 17 November 2000 | Limited liability company | RMB100,000,000 | **100%** | 100% | Property development |
| 深圳市泰建建築工程有限公司 ("Shenzhen Taijian Construction & Engineering Co., Ltd.") | the PRC; 19 July 2007 | Limited liability company | RMB1,000,000,000 | **100%** | 100% | Construction engineering |
| 深圳市興沃爾房地產開發有限公司 ("Shenzhen Xingwoer Property Development Co., Ltd.") | the PRC; 29 January 1999 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 上海新灣投資發展有限公司 ("Shanghai Xinwan Investment Development Co., Ltd.") | the PRC; 17 January 2007 | Limited liability company | RMB35,000,000 | **100%** | 100% | Investment holding |
| 博羅縣佳兆業房地產開發有限公司 ("Boluo Kaisa Real Estate Development Co., Ltd.") | the PRC; 2 June 2008 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 深圳市金沙灣大酒店有限公司 ("Shenzhen Golden Bay Hotel Co., Ltd.") | the PRC; 17 June 1997 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 江蘇佳兆業投資有限公司 ("Jiangsu Kaisa Investment Co., Ltd.") | the PRC; 18 May 2010 | Limited liability company | RMB15,000,000 | **100%** | 100% | Property development |
| 寶吉工藝品(深圳)有限公司 ("Baoji Crafts (Shenzhen) Co., Ltd.") | the PRC; 28 December 1988 | Limited liability company | RMB877,725,000 | **100%** | 100% | Property development |
| 江陰水岸華府房地產開發有限公司 ("Jiangyin Washington Waterfront Property Development Co., Ltd.") | the PRC; 10 December 2010 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 浙江伍豐置業有限公司 ("Zhejiang Wufeng Zhiye Co., Ltd.") | the PRC; 7 January 2010 | Limited liability company | RMB260,000,000 | **100%** | 100% | Property development |
| 江陰金翠園房地產開發有限公司 ("Jiangyin Jincuiyuan Property Development Co., Ltd.") | the PRC; 22 February 2011 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 深圳市鹽田佳兆業房地產開發有限公司 ("Shenzhen Yantian Kaisa Property Development Co., Ltd.") | the PRC; 19 April 2011 | Limited liability company | RMB800,000,000 | **100%** | 100% | Property development |
| 佳兆業東戴河房地產開發有限公司 ("Kaisa Dongdaihe Property Development Co., Ltd.") | the PRC; 6 July 2011 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 深圳市悅峰投資有限公司 ("Shenzhen Yuefeng Investment Co., Ltd.") | the PRC; 25 April 2012 | Limited liability company | RMB100,000,000 | **100%** | 100% | Property development |
| 泰州佳兆業江山房地產開發有限公司 ("Taizhou Kaisa Jiangshan Property Development Co., Ltd.") | the PRC; 30 December 2011 | Limited liability company | RMB50,000,000 | **51%** | 51% | Property development |
| 武漢市佳兆業投資有限公司 ("Wuhan Kaisa Investment Co., Ltd.") | the PRC; 13 July 2012 | Limited liability company | RMB250,000,000 | **100%** | 100% | Property development |
| 上海金灣兆業房地產開發有限公司 ("Shanghai Jinwan Zhaoye Property Development Co., Ltd.") | the PRC; 2 August 2012 | Limited liability company | RMB30,000,000 | **100%** | 100% | Property development |
| 江陰濱江雅園房地產開發有限公司 ("Jiangyin Binjiangyayuan Property Development Co., Ltd.") | the PRC; 14 September 2012 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 大連華普置業有限公司 ("Dalian Huapu Zhiye Co., Ltd.") | the PRC; 9 December 2009 | Limited liability company | RMB100,000,000 | **100%** | 100% | Property development |
| 上海嘉灣兆業房地產有限公司 ("Shanghai Jiawan Zhaoye Property Co., Ltd.") | the PRC; 24 December 2012 | Limited liability company | RMB30,000,000 | **100%** | 100% | Property development |
| 佳兆業文化體育(深圳)有限公司 ("Kaisa Culture and Sports Investment Development (Shenzhen) Co., Ltd.") | the PRC; 25 January 2013 | Limited liability company | RMB72,000,000 | **90%** | 90% | Commerce management |
| 佳兆業房地產(杭州)有限公司 ("Kaisa Property (Hangzhou) Co., Ltd.") | the PRC; 6 March 2013 | Limited liability company | RMB40,820,000 | **100%** | 100% | Property development |
| 成都天佳置業有限公司 ("Chengdu Tianjia Zhiye Co., Ltd.") | the PRC; 19 April 2013 | Limited liability company | RMB200,000,000 | **100%** | 100% | Property development |

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For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 深圳市佳旺基房地產開發有限公司 ("Shenzhen Jiawangji Property Development Co., Ltd.") | the PRC; 5 February 2010 | Limited liability company | RMB50,000,000 | **70%** | 70% | Property development |
| 武漢市君匯房地產開發有限公司 ("Wuhan Junhui Property Development Co., Ltd.") | the PRC; 20 May 2013 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 上海榮灣兆業房地產開發有限公司 ("Shanghai Rongwan Zhaoye Property Development Co., Ltd.") | the PRC; 17 October 2013 | Limited liability company | RMB30,000,000 | **100%** | 100% | Property development |
| 萬泰昌房地產開發(綏中)有限公司 ("Wan Tai Chang Property Development (Suizhong) Co., Ltd.") | the PRC; 15 October 2013 | Limited liability company | HK$428,999,750 | **100%** | 100% | Property development |
| 杭溪隆業房地產(杭州)有限公司 ("Hangxilongye Property (Hangzhou) Co., Ltd.") | the PRC; 26 June 2013 | Limited liability company | RMB98,000,000 | **100%** | 100% | Property development |
| 上海誠灣兆業房地產有限公司 ("Shanghai Chengwan Zhaoye Property Development Co., Ltd.") | the PRC; 2 August 2013 | Limited liability company | RMB58,820,000 | **100%** | 100% | Property development |
| 重慶佳兆業房地產開發有限公司 ("Chongqing Kaisa Property Development Co., Ltd.") | the PRC; 13 November 2013 | Limited liability company | RMB946,675,000 | **100%** | 100% | Property development |
| 四川天姿置業有限公司 ("Sichuan Tianzi Zhiye Co., Ltd.") | the PRC; 15 September 2006 | Limited liability company | RMB20,000,000 | **100%** | 100% | Property development |
| 惠州緯通房產有限公司 ("Huizhou Weitong Property Co., Ltd.") | the PRC; 14 January 1994 | Limited liability company | HK$256,026,685 | **100%** | 100% | Property development |
| 佳兆業科技(惠州)有限公司 ("Kaisa Technology (Huizhou) Co., Ltd.") | the PRC; 24 March 2008 | Limited liability company | US$3,794,256 | **100%** | 100% | Property development |
| 佳兆業地產(遼寧)有限公司 ("Kaisa Real Estate (Liaoning) Co., Ltd.") | the PRC; 28 January 2010 | Limited liability company | RMB1,086,670,000 | **100%** | 100% | Property development |

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 深圳市正昌泰投資諮詢有限公司 ("Shenzhen Zhengchangtai Investment Consulting Co., Ltd.") | the PRC; 13 June 2007 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 萬裕昌計算機技術開發(深圳)有限公司 ("Wan Rui Chang Computer Development (Shenzhen) Co., Ltd.") | the PRC; 26 October 2001 | Limited liability company | HK$2,000,000 | **100%** | 100% | Commerce management |
| 佳兆業集團有限公司 ("Kaisa Holdings Limited") | Hong Kong; 16 July 1999 | Limited liability company | HK$10,000 | **100%** | 100% | Investment holding |
| 北京金貿財迅信息有限公司 ("Beijing Jinmao Caixun Xinxi Co., Ltd.") | the PRC; 5 December 2005 | Limited liability company | RMB24,400,000 | **100%** | 100% | Commerce management |
| 東升投資有限公司 ("Dong Sheng Investment Company Limited") | BVI; 25 July 2007 | Limited liability company | US$1 | **100%** | 100% | Investment holding |
| 瑞景投資有限公司 ("Rui Jing Investment Company Limited") | BVI; 23 July 2007 | Limited liability company | HK$1 | **100%** | 100% | Investment holding |
| 佳兆業(惠州)道路建設發展有限公司 ("Kaisa (Huizhou) Road Construction Development Co., Ltd.") | the PRC; 2 February 2008 | Limited liability company | US$40,000,000 | **100%** | 100% | Commerce management |
| 泰安達投資有限公司 ("Tai An Da Investment Company Limited") | BVI; 2 March 2010 | Limited liability company | US$2 | **100%** | 100% | Investment holding |
| 萬瑞發投資有限公司 ("Wan Rui Fa Investment Company Limited") | Hong Kong; 2 March 2010 | Limited liability company | HK$10,000 | **100%** | 100% | Investment holding |
| 泰和盛投資有限公司 ("Tai He Sheng Investment Company Limited") | BVI; 2 March 2010 | Limited liability company | US$1 | **100%** | 100% | Investment holding |
| 泰昌利投資有限公司 ("Tai Chong Li Investment Company Limited") | BVI; 2 March 2010 | Limited liability company | US$1 | **100%** | 100% | Investment holding |
| 萬晉昌投資有限公司 ("Wan Jin Chang Investment Limited") | Hong Kong; 2 March 2010 | Limited liability company | HK$1 | **100%** | 100% | Investment holding |

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For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 萬瑞昌投資有限公司 ("Wan Rui Chang Investment Company Limited") | Hong Kong; 2 March 2010 | Limited liability company | HK$1 | **100%** | 100% | Investment holding |
| 萬泰昌投資有限公司 ("Wan Tai Chang Investment Company Limited") | Hong Kong; 2 March 2010 | Limited liability company | HK$1 | **100%** | 100% | Investment holding |
| 深圳市佳兆業酒店管理有限公司 ("Shenzhen Kaisa Hotel Management Co., Ltd.") | the PRC; 15 September 2010 | Limited liability company | RMB110,750,000 | **100%** | 100% | Hotel management |
| 香港佳兆業實業有限公司 ("Hong Kong Kaisa Industry Co., Limited") | Hong Kong; 24 November 2010 | Limited liability company | US$1,000 | **100%** | 100% | Investment holding |
| 熙華投資有限公司 ("Sunny Sino Investments Limited") | Hong Kong; 21 September 2011 | Limited liability company | US$1 | **100%** | 100% | Investment holding |
| 熙豐管理諮詢(深圳)有限公司 ("Xifeng Management Consulting (Shenzhen) Co., Ltd.") | the PRC; 17 November 2011 | Limited liability company | RMB1,000,000 | **100%** | 100% | Commerce management |
| 深圳市德弘管理諮詢有限公司 ("Shenzhen Dehong Management Consulting Co., Ltd.") | the PRC; 8 November 2011 | Limited liability company | RMB500,000,000 | **100%** | 100% | Commerce management |
| 行裕有限公司 ("Action Enrich Limited") | BVI; 2 May 2012 | Limited liability company | US$1,000 | **100%** | 100% | Investment holding |
| 成都市鼎誠達房地產開發有限公司 ("Chengdu Dingchengda Property Development Co., Ltd.") | the PRC; 6 July 2012 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 萬瑞昌房地產開發(綏中)有限公司 ("Wan Rui Chang Property Development (Suizhong) Co., Ltd.") | the PRC; 1 August 2012 | Limited liability company | HK$244,000,000 | **100%** | 100% | Property development |
| 佳兆業地產(丹東)有限公司 ("Kaisa Property (Dandong) Co., Ltd.") | the PRC; 30 October 2012 | Limited liability company | US$50,500,000 | **100%** | 100% | Property development |

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 燁楓有限公司 ("Splendid Maple Limited") | BVI; 21 May 2013 | Limited liability company | US$10,000 | **100%** | 100% | Investment holding |
| 蘇州市佳兆業房地產開發有限公司 ("Suzhou Kaisa Property Development Co., Ltd.") | the PRC; 20 February 2014 | Limited liability company | RMB196,000,000 | **100%** | 100% | Property development |
| 成都錦城佳業房地產開發有限公司 ("Chengdu Jincheng Jiaye Property Development Co., Ltd.") | the PRC; 24 February 2014 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 南京奧信房地產開發有限公司 ("Nanjing Aoxin Property Development Co., Ltd.") | the PRC; 11 November 2013 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 上海青灣兆業房地產開發有限公司 ("Shanghai Qingwan Zhaoye Property Development Co., Ltd.") | the PRC; '21 August 2014 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 成都市錦新瑞房地產開發有限公司 ("Chengdu Jinxinrui Property Development Co., Ltd.") | the PRC; 7 November 2012 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 深圳冠洋房地產有限公司 ("Shenzhen Guanyang Property Development Co., Ltd.") | the PRC; 5 June 2009 | Limited liability company | RMB100,000,000 | **51%** | 51% | Property development |
| 深圳市杰領信息諮詢有限公司 ("Shenzhen Jielingzixun Co., Ltd.") | the PRC; 3 November 2014 | Limited liability company | RMB0 | **100%** | 100% | Commerce management |
| 海南佳兆業實業集團有限公司 ("Hainan Kaisa Industrial Group Co., Ltd.") | the PRC; 29 April 2010 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 廣州佳兆業投資諮詢有限公司 ("Guangzhou Kaisa Investment Co., Ltd.") | the PRC; 8 March 2010 | Limited liability company | RMB10,000,000 | **55%** | 55% | Property development |
| 深圳市佳兆業置業有限公司 ("Shenzhen Kaisa Real Estate Co., Ltd.") | the PRC; 7 September 2012 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 深圳市觀瀾佳兆業置業發展有限公司 ("Shenzhen Guan Lan Kaisa Real Estate Development Co., Ltd.") | the PRC; 30 August 2013 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 深圳市吉麗房地產開發有限公司 ("Shenzhen Jili Real Estate Development Co., Ltd.") | the PRC; 25 October 2019 | Limited liability company | RMB532,800,000 | **100%** | 100% | Property development |
| 青海製藥有限公司 ("Qinghai Pharmaceutical Co., Limited") | the PRC; 31 May 2000 | Limited liability company | RMB100,000,000 | **54.84%** | 54.84% | Manufacturing and trading of pharmaceutical products |
| 廣州市景晟房地產開發有限公司 ("Guangzhou Jingsheng Real Estate Development Co., Ltd.") | the PRC; 8 August 2019 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 大連世展房地產開發有限公司 ("Dalian Shizhan Real Estate Development Co., Ltd.") | the PRC; 26 January 2014 | Limited liability company | RMB138,000,000 | **100%** | 100% | Property development |
| 衡陽恒基置業有限公司 ("Hengyang Hengji Real Estate Development Co., Ltd.") | the PRC; 27 October 2010 | Limited liability company | RMB10,000,000 | **0%*** | 51% | Property development |
| 成都華冠可恒科技有限公司 ("Chengdu Huaguan Keheng Technology Co., Ltd.") | the PRC; 26 June 2017 | Limited liability company | RMB40,816,327 | **0%*** | 51% | Property development |
| 成都錦熙晟榮房地產開發有限公司 ("Chengdu Jinxi Shengrong Real Estate Development Co., Ltd.") | the PRC; 26 April 2017 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 青島佳科房地產開發有限公司 ("Qingdao Jiake Real Estate Development Co., Ltd.") | the PRC; '25 December 2018 | Limited liability company | RMB10,000,000 | **51%** | 51% | Property development |
| 霸州市裕景軒房地產開發有限公司 ("Bazhou Yujingxuan Real Estate Development Co., Ltd.") | the PRC; 8 August 2017 | Limited liability company | RMB5,000,000 | **100%** | 100% | Property development |
| 成都佳瑞華房地產開發有限公司 ("Chengdu Jiaruihua Real Estate Development Co., Ltd.") | the PRC; 19 October 2017 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 興博通電子(深圳)有限公司 ("Xingbotong Electrical (Shenzhen) Co., Ltd.") | the PRC; 28 May 2001 | Limited liability company | HK$390,000,000 | **100%** | 100% | Property development |
| 蘇州市佳源華府房地產開發有限公司 ("Suzhou Jiayuanhuafu Real Estate Development Co., Ltd.") | the PRC; 17 January 2018 | Limited liability company | RMB50,209,400 | **100%** | 100% | Property development |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 佳兆業健康集團控股有限公司 ("Kaisa Health Group Holdings Limited") (note i) | the PRC; 26 March 1997 | Limited liability company | HK$6,303,000 | **42.99%** | 42.99% | Health care operations |
| 惠州市佳尚投資有限公司 ("Huizhou Jiashang Investment Co., Ltd.") | the PRC; 1 August 2017 | Limited liability company | RMB7,000,000 | **70%** | 70% | Property development |
| 深圳市達盛通置業有限公司 ("Shenzhen Dashengtong Real Estate Development Co., Ltd.") | the PRC; 28 April 2016 | Limited liability company | RMB10,000,000 | **100%** | 100% | Property development |
| 平谷諾信置業(大連)有限公司 ("Pinggu Nuoxin Real Estate Development (Dalian) Co., Ltd.") | the PRC; 8 November 2011 | Limited liability company | RMB90,812,600 | **100%** | 100% | Property development |
| 深圳市足球俱樂部有限公司 ("Shenzhen Football Club Co., Ltd.") | the PRC; 28 October 1994 | Limited liability company | RMB110,000,000 | **90%** | 90% | Cultural operation |
| 佳兆業美好集團有限公司 ("Kaisa Prosperity Holdings Limited") | Cayman Islands; 13 October 2019 | Limited liability company | HK$1,541,100 | **67.18%** | 67.18% | Investment holding |
| 中山市潤邦房地產開發有限公司 ("Zhongshan Runbang Real Estate Development Co., Ltd.") | the PRC; 24 May 2012 | Limited liability company | RMB1,000,000 | **100%** | 100% | Property development |
| 成都盛世凰巢置業有限公司 ("Chengdu Shengshi Phoenix Nest Property Co., Ltd.") | the PRC; 7 January 2014 | Limited liability company | RMB30,000,000 | **100%** | 100% | Property development |
| 珠海浩輝商務服務有限公司 ("Zhuhai Hao Hui Business Service Co., Ltd.") | the PRC; 28 May 2015 | Limited liability company | RMB10,000,000 | **100%** | 100% | Commerce management |
| 綏中佳悅房地產開發有限公司 ("Suizhong Jia Yue Real Estate Development Co., Ltd.") | the PRC; 21 August 2018 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |
| 張家港市佳兆業上品房地產開發有限公司 ("Zhangjiagang Kaisa Top Quality Real Estate Development Co., Ltd.") | the PRC; 2 July 2018 | Limited liability company | RMB50,000,000 | **100%** | 100% | Property development |

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 徐州佳樂房地產開發有限公司 ("Xuzhou Jiale Real Estate Development Co., Ltd.") | the PRC; 27 June 2018 | Limited liability company | US$215,000,000 | **50%** | 50% | Property development |
| 紹興明悅置業有限公司 ("Shaoxing Ming Yue Real Development Co., Ltd.") | the PRC; 10 May 2018 | Limited liability company | RMB2,000 | **99%** | 99% | Property development |
| 深圳市嘉業中梁實業發展有限公司 ("Shenzhen Jiaye Zhongliang Industrial Development Co., Ltd.") | the PRC; 16 July 2019 | Limited liability company | RMB50,000,000 | **51%** | 51% | Property development |
| 廣州佳兆業產業投資有限公司 ("Guangzhou Kaisa Industrial Investment Co., Ltd.") | the PRC; 1 November 2018 | Limited liability company | RMB50,000,000 | **51%** | 51% | Property development |
| 源凱有限公司 ("Victorious Resources Limited") | BVI; 3 August 2018 | Limited liability company | US$50,000 | **100%** | 100% | Investment holding |
| 南譽有限公司 ("South Prestige Limited") | BVI; 29 May 2018 | Limited liability company | US$50,000 | **100%** | 100% | Investment holding |
| 中山富港房地產開發有限公司 ("Zhongshan Hong Kong Real Estate Development Company Limited") | the PRC; 16 March 2017 | Limited liability company | RMB120,480,000 | **80%** | 80% | Property development |
| 耀港環球有限公司 ("Great Harbour Global Limited") | BVI; 7 January 2019 | Limited liability company | US$50,000 | **100%** | 100% | Investment holding |
| 廣州佳徑房地產開發有限公司 ("Guangzhou Jiajing Real Estate Development Co., Ltd.") | the PRC; 11 March 2020 | Limited liability company | RMB200,000,000 | **80%** | 80% | Property development |
| 康諾投資有限公司 ("Good Promise Investments Limited") | Hong Kong; 13 November 2018 | Limited liability company | HK$1 | **100%** | 100% | Investment holding |
| 威康(清遠)置業有限公司 ("Weikang (Qingyuan) Zhiye Co,. Ltd.") | the PRC; 23 September 2008 | Limited liability company | HK$41,746,692 | **100%** | 100% | Property development |

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (a) General information of subsidiaries (Continued)

| Name | Place and date of incorporation/ establishment | Type of legal entity | Nominal value of issued and fully paid-in capital | Percentage of attributable equity interest 2024 | 2023 | Principal activities |
|---|---|---|---|---|---|---|
| 金倫(清遠)置業有限公司 ("Jinlun (Qingyuan) Zhiye Co,. Ltd.") | the PRC; 23 September 2008 | Limited liability company | HK$32,896,742 | **100%** | 100% | Property development |
| 清遠德倫置業有限公司 ("Qingyuan Delun Zhiye Co., Ltd.") | the PRC; 23 September 2008 | Limited liability company | HK$39,355,600 | **100%** | 100% | Property development |
| Kaisa Capital Investment Holdings Limited | Cayman Islands; 11 March 2010 | Limited liability company | HK$10,600,000 | **30.60%** | 30.60% | trading of construction machinery and spare parts |

\# Disposal during the year
* Deregistration during the year

None of the subsidiaries had issued any debt securities at the end of the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The English names of PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

Kaisa Prosperity Holdings Limited, Kaisa Health Group Holdings Limited and Kaisa Capital Investment Holdings Limited are listed companies in Main Board of Hong Kong Stock Exchange.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (b) Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiary of the Company that is individual material non-controlling interests of the Group as at 31 December 2024 and 31 December 2023:

| Name of subsidiary | Place of incorporation | Proportion of ownership interests and voting rights held by non-controlling interests | | Total comprehensive income (loss) allocated to non-controlling interests | | Accumulated non-controlling interests | |
|---|---|---|---|---|---|---|---|
| | | **2024** | 2023 | **2024** | 2023 | **2024** | 2023 |
| | | | | **RMB'000** | RMB'000 | **RMB'000** | RMB'000 |
| 深圳市嘉業中梁實業發展有限公司 ("Shenzhen Jiaye") | the PRC | **0%** | 49% | **–** | –# | **3,184,998** | 3,184,998 |
| 廣州佳兆業產業投資有限公司 ("Guangzhou Kaisa Industrial") | the PRC | **0%** | 49% | **–** | –# | **2,498,986** | 2,498,986 |

# Amount less than RMB1,000

During the year, Shenzhen Jiaye and Guangzhou Kaisa Industrial has been deregistered and the refund to non-controlling interests has been applied to offset with amount due from non-controlling interests to the Group for the year.

## 54. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

### (b) Details of non-wholly owned subsidiaries that have material non-controlling interests (Continued)

Summarised financial information in respect of the Group's subsidiary with individual material non-controlling interest as set out below. The summarised financial information below represents amounts before intra-group eliminations.

| | Guangzhou Kaisa Industrial RMB'000 | Shenzhen Jiaye RMB'000 |
|---|---|---|
| **As at 31 December 2023** | | |
| Current assets | 5,099,985 | 6,704,500 |
| Non-current assets | – | – |
| Current liabilities | (13) | (204,503) |
| Non-current liabilities | – | – |
| Equity | 5,099,972 | 6,499,997 |
| Equity attributable to owners of the Company | 2,600,986 | 3,314,999 |
| Equity attributable to non-controlling interests | 2,498,986 | 3,184,998 |
| **Year ended 31 December 2023** | | |
| Revenue | –# | –# |
| Loss for the year | –# | –# |
| Other comprehensive expenses for the year | –# | –# |
| Total comprehensive expenses attributable to owners of the Company | –# | –# |
| Total comprehensive expenses attributable to the non-controlling interests | –# | –# |
| Total comprehensive expenses for the year | –# | –# |
| Net cash used in operating activities | –# | –# |
| Net cash used in investing activities | –# | –# |
| Net cash used in financing activities | –# | –# |
| | –# | –# |
| **As at 31 December 2024** | | |
| Current assets | **N/A** | **N/A** |
| Non-current assets | **N/A** | **N/A** |
| Current liabilities | **N/A** | **N/A** |
| Non-current liabilities | **N/A** | **N/A** |
| Equity | **N/A** | **N/A** |
| Equity attributable to owners of the Company | **N/A** | **N/A** |
| Equity attributable to non-controlling interests | **N/A** | **N/A** |
| **Year ended 31 December 2024** | | |
| Revenue | – | – |
| Loss for the year | – | – |
| Other comprehensive expenses for the year | – | – |
| Total comprehensive expenses attributable to owners of the Company | – | – |
| Total comprehensive expenses attributable to the non-controlling interests | – | – |
| Total comprehensive expenses for the year | – | – |
| Net cash used in operating activities | – | – |
| Net cash used in investing activities | – | – |
| Net cash used in financing activities | – | – |
| | – | – |

# Amount less than RMB1,000

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

### 55. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in these consolidated financial statements, the Company did not have any significant events after the end of the reporting period.

## APPENDIX 5

## LIST OF THE IN-SCOPE DEBT

| No. | Description | Maturity date | Base interest rate/ default interest rate | As of 30 June 2024 (US$ million) | | |
|---|---|---|---|---|---|---|
| | | | | Outstanding principal | Outstanding and accrued interest | Outstanding and accrued default interest |
| *Existing Notes and Perpetual Securities* | | | | | | |
| 1. | 6.50% senior notes due December 2021 (ISIN: XS2268673337 / Common Code: 226867333) (the "**December 2021 Notes**") pursuant to the indenture dated 8 December 2020, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the December 2021 Notes | 7 December 2021 | 6.5% p.a. / N/A | 400.00 | 79.59 | N/A |
| 2. | 11.25% senior notes due April 2022 (ISIN: XS1973544700 / Common Code: 197354470) (the "**April 2022 Notes**") pursuant to the indenture dated 9 April 2019, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the April 2022 Notes | 9 April 2022 | 11.25% p.a. / N/A | 550.00 | 168.61 | N/A |
| 3. | 8.50% senior notes due June 2022 (ISIN: XS1627597955 / Common Code: 162759795) (the "**June 2022 Notes**") pursuant to the indenture dated 30 June 2017, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the June 2022 Notes | 30 June 2022 | 8.5% p.a. / N/A | 1,147.00 | 292.49 | N/A |
| 4. | 8.65% senior notes due July 2022 (ISIN: XS2367127532 / Common Code: 236712753) (the "**July 2022 Notes**") pursuant to the indenture dated 23 July 2021, as amended, supplemented, or otherwise | 22 July 2022 | 8.65% p.a. / N/A | 300.00 | 76.19 | N/A |

| | | | | | | |
|---|---|---|---|---|---|---|
| | modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the July 2022 Notes | | | | | |
| 5. | 10.50% senior notes due September 2022 (ISIN: XS2381572002 / Common Code: 238157200) (the "**September 2022 Notes**") pursuant to the indenture dated 8 September 2021, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the September 2022 Notes | 7 September 2022 | 10.5% p.a. / N/A | 300.00 | 88.55 | N/A |
| 6. | 11.95% senior notes due October 2022 (Regulation S: ISIN: USG52132BW96, Common Code: 205784926, CUSIP: G52132 BW9; Rule 144A: ISIN: US48300TAD46, Common Code: 205784900, CUSIP: 48300T AD4) (the "**October 2022 Notes**") pursuant to the indenture dated 22 October 2019, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the October 2022 Notes | 22 October 2022 | 11.95% p.a. / N/A | 600.00 | 192.79 | N/A |
| 7. | 11.50% senior notes due January 2023 (ISIN: XS2002235518 / Common Code: 200223551) (the "**January 2023 Notes**") pursuant to the indenture dated 30 May 2019, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the January 2023 Notes | 30 January 2023 | 11.5% p.a. / N/A | 700.00 | 234.79 | N/A |
| 8. | 10.875% senior notes due July 2023 (ISIN: XS2030334192 / Common Code: 203033419) (the "**July 2023 Notes**") pursuant to the indenture dated 23 July 2019, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the July 2023 Notes | 23 July 2023 | 10.875% p.a. / N/A | 750.00 | 239.48 | N/A |

| | | | | | | |
|---|---|---|---|---|---|---|
| 9. | 9.75% senior notes due September 2023 (ISIN: XS2201954067 / Common Code: 220195406) (the "**September 2023 Notes**") pursuant to the indenture dated 28 September 2023, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the September 2023 Notes | 28 September 2023 | 9.75% p.a. / N/A | 980.00 | 263.29 | N/A |
| 10. | 11.95% senior notes due November 2023 (ISIN: XS2078247983 / Common Code: 207824798) (the "**November 2023 Notes**") pursuant to the indenture dated 12 November 2019, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the November 2023 Notes | 12 November 2023 | 11.95% p.a. / N/A | 500.00 | 187.22 | N/A |
| 11. | 9.375% senior notes due June 2024 (ISIN: XS1627598094 / Common Code: 162759809) (the "**June 2024 Notes**") pursuant to the indenture dated 30 June 2017, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the June 2024 Notes | 30 June 2024 | 9.375% p.a. / N/A | 2,247.45 | 632.10 | N/A |
| 12. | 10.50% senior notes due January 2025 (ISIN: XS2101310196 / Common Code: 210131019) (the "**January 2025 Notes**") pursuant to the indenture dated 15 January 2020, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the January 2025 Notes | 15 January 2025 | 10.5% p.a. / N/A | 500.00 | 155.31 | N/A |
| 13. | 11.25% senior notes due April 2025 (ISIN: XS2203824789 / Common Code: 220382478) (the "**April 2025 Notes**") pursuant to the indenture dated 16 July 2020, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the April 2025 Notes | 16 April 2025 | 11.25% p.a. / N/A | 700.00 | 213.06 | N/A |

| | | | | | | |
|---|---|---|---|---|---|---|
| 14. | 9.95% senior notes due July 2025 (ISIN: XS2106329134 / Common Code: 210632913) (the "**July 2025 Notes**") pursuant to the indenture dated 23 January 2020, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the July 2025 Notes | 23 July 2025 | 9.95% p.a. / N/A | 500.00 | 146.07 | N/A |
| 15. | 11.70% senior notes due November 2025 (ISIN: XS2338398253 / Common Code: 233839825) (the "**November 2025 Notes**") pursuant to the indenture dated 11 May 2021, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the November 2025 Notes | 11 November 2025 | 11.7% p.a. / N/A | 1,000.02 | 366.93 | N/A |
| 16. | 11.65% senior notes due June 2026 (ISIN: XS2347581873 / Common Code: 234758187) (the "**June 2026 Notes**") pursuant to the indenture dated 1 June 2021, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the June 2026 Notes | 1 June 2026 | 11.65% p.a. / N/A | 300.00 | 107.67 | N/A |
| 17. | senior perpetual capital securities (ISIN: XS2238208917 / Common Code: 223820891) (the "**Perpetual Securities**") pursuant to the trust deed dated 30 September 2020, as amended, supplemented, or otherwise modified from time to time, between, amongst others, the Company and Citicorp, as trustee governing the Perpetual Securities | N/A | 10.875% p.a. as of 30 September 2023 and 20.518% thereafter / N/A | 200.00 | 74.28 | N/A |
| *Existing Private Debt* | | | | | | |
| 18. | US$18 million Facility A Loan, US$22 million Facility B Loan and US$80 million Facility C Loan borrowed by Kaisa, with Deutsche Bank AG, Hong Kong Branch as Original Lender, due 6 January 2022 (the "**DB Loan**") | 6 January 2022 | 3-Month LIBOR+7.5% p.a. / 3-Month LIBOR+10.5% p.a. | 24.68 | 4.88 | 0.98 |

| | | | | | | |
|---|---|---|---|---|---|---|
| 19. | US$215 million 8.5% term loan borrowed by Joyful Richness Holdings Limited, with TFI Securities and Futures Limited as Agent and Eosaurora Limited as Original Lender, due 14 October 2022 (the "**TFI Loan**") | 14 October 2022 | 8.5% p.a. / 11.50% p.a. (first default interest period) and 14.50% p.a. (afterwards) | 215.00 | 50.26 | 54.74 |
| 20. | US$60 million 8.45% senior guaranteed notes due 1 September 2022, issued by Brilliant Bridge Holdings Limited (the "**Brilliant Bridge Notes**") | 1 September 2022 | 8.45% p.a. / 14.45% p.a. | 60.00 | 14.39 | 10.13 |
| 21. | US$80 million 11.5% guaranteed and secured notes due 3 October 2022, issued by Ye Chang Investment Company Limited (the "**Ye Chang Notes**") | 3 October 2022 | 11.5% p.a. amended to 14.00% p.a. / 19.00% p.a. | 80.00 | 31.14 | 20.42 |
| 22. | US$125 million 7.5% term loan facility, borrowed by Grand Sail Developments Limited, with [Redacted] as lender, due 3 October 2022 (the "**[Redacted]**") | 3 October 2022 | 7.5% p.a. amended to 14.00% p.a. / 20.00% p.a. | 101.10 | 39.36 | 29.81 |
| *Flourish Notes* | | | | | | |
| 23. | US$110 million 6.6% private placement notes due 4 February 2022 (ISIN: XS2295987916 / Common Code: 229598791) (the "**Flourish Notes**") pursuant to the indenture dated 5 February 2021, as amended, supplemented, or otherwise modified from time to time, among Flourish Century Holdings Limited as issuer, the Company as guarantor and HSBC as trustee governing the Flourish Notes | 4 February 2022 | 6.6% p.a. / N/A | 110.00 | 21.09 | N/A |
| **Total** | | | | **12,265.26** | **3,679.54** | **116.08** |