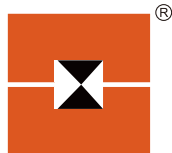


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KAISA GROUP HOLDINGS LTD.

佳兆業集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1638)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Kaisa Group Holdings Ltd. (the “**Company**”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025 together with the comparative figures for the corresponding year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

- Revenue for the year ended 31 December 2025 decreased by 17.8% to approximately RMB9,500.2 million from 2024.
- Gross profit for the year ended 31 December 2025 increased by 89.9% to approximately RMB451.8 million and the gross profit margin for the year was 4.8%.
- Profit for the year ended 31 December 2025 was approximately RMB52,325.5 million, compared to the loss of RMB29,228.9 million in 2024.
- Contracted sales of the Group, together with its joint ventures and associates, for the year ended 31 December 2025 decreased by 17.9% to approximately RMB5,544.4 million.
- No final dividend declared for the year ended 31 December 2025.

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	5	9,500,222	11,560,734
Cost of sales		<u>(9,048,386)</u>	<u>(11,322,837)</u>
Gross profit		451,836	237,897
Other income, gains and losses, net	6(a)	(18,816,094)	(15,006,119)
Gain on Debt Restructuring	6(b)	85,373,896	–
Selling and marketing costs		(287,021)	(453,731)
Administrative expenses		(1,058,405)	(1,388,135)
Fair value loss of investment properties, net		(471,350)	(769,560)
Gain (loss) on disposals of subsidiaries, net		18	(1,137,880)
Impairment loss recognised	7	<u>(8,078,279)</u>	<u>(5,533,950)</u>
Operating profit (loss)		57,114,601	(24,051,478)
Share of results of associates		(1,493,449)	(2,121,921)
Share of results of joint ventures		(142,139)	(965,039)
Finance income	8	7,011	19,362
Finance costs	8	<u>(2,679,107)</u>	<u>(1,966,489)</u>
Profit (loss) before income tax	9	52,806,917	(29,085,565)
Income tax expenses	10	<u>(481,374)</u>	<u>(143,350)</u>
Profit (loss) for the year		<u>52,325,543</u>	<u>(29,228,915)</u>
Profit (loss) for the year attributable to:			
– Owners of the Company		52,554,898	(28,533,737)
– Non-controlling interests		<u>(229,355)</u>	<u>(695,178)</u>
		<u>52,325,543</u>	<u>(29,228,915)</u>
		<i>RMB per share</i>	<i>RMB per share</i>
Earnings (loss) per share			
– Basic	12	6.801	(4.067)
– Diluted	12	<u>4.585</u>	<u>(4.067)</u>

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit (loss) for the year	52,325,543	(29,228,915)
Other comprehensive (expenses) income for the year, net of tax		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Share of other comprehensive (expenses) income of associates	(4,860)	5,640
Exchange differences on translation of foreign operations	<u>(17,930)</u>	<u>(4,410)</u>
Other comprehensive (expenses) income for the year	<u>(22,790)</u>	<u>1,230</u>
Total comprehensive income (expenses) for the year	<u>52,302,753</u>	<u>(29,227,685)</u>
Total comprehensive income (expenses) for the year attributable to:		
– Owners of the Company	52,527,434	(28,530,472)
– Non-controlling interests	<u>(224,681)</u>	<u>(697,213)</u>
	<u>52,302,753</u>	<u>(29,227,685)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment		4,064,514	4,317,377
Right-of-use assets		390,833	611,554
Investment properties		7,389,800	8,409,800
Land use rights		333,899	364,866
Goodwill and intangible assets	13	844,105	875,898
Investments in associates	14(a)	12,879,827	14,381,513
Investments in joint ventures	14(b)	7,304,010	7,446,149
Financial assets at fair value through profit or loss		641,405	1,336,990
Deposits and other receivables		8,300	3,649
Deferred tax assets		1,108,459	1,111,395
Total non-current assets		34,965,152	38,859,191
Current assets			
Properties under development		63,505,030	73,658,253
Completed properties held-for-sale		14,115,500	17,531,998
Inventories		313,737	386,519
Trade receivables, prepayments, deposits and other receivables	15	30,414,704	37,497,730
Deposits for land acquisition		2,513,325	2,483,257
Prepayments for proposed development projects		36,144,399	36,964,847
Financial assets at fair value through profit or loss		574,614	907,510
Restricted bank balances and cash		1,054,872	1,692,711
Cash and bank balances		544,685	697,649
Total current assets		149,180,866	171,820,474
Current liabilities			
Contract liabilities		13,174,530	18,520,388
Accrued construction costs		13,099,021	11,517,764
Other payables		38,483,148	61,923,817
Income tax payable		12,967,619	12,651,233
Lease liabilities		24,698	145,110
Borrowings	16	36,152,156	118,077,834
Convertible bonds		57,265	–
Total current liabilities		113,958,437	222,836,146
Net current assets (liabilities)		35,222,429	(51,015,672)
Total assets less current liabilities		70,187,581	(12,156,481)

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Other payables		7,395	4,433
Lease liabilities		70,718	425,900
Borrowings	<i>16</i>	47,643,689	16,995,728
Convertible bonds		983,456	–
Deferred tax liabilities		2,035,421	2,159,258
		<hr/>	<hr/>
Total non-current liabilities		50,740,679	19,585,319
		<hr/>	<hr/>
Net assets (liabilities)		19,446,902	(31,741,800)
		<hr/>	<hr/>
Equity			
Share capital		850,316	613,530
Perpetual capital securities		–	1,350,054
Share premium		6,457,420	6,376,801
Reserves		3,610,077	(48,917,181)
		<hr/>	<hr/>
Equity (deficit of equity) attributable to owners of the Company		10,917,813	(40,576,796)
Non-controlling interests		8,529,089	8,834,996
		<hr/>	<hr/>
Total equity (deficit of equity)		19,446,902	(31,741,800)
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

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

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

2. BASIS OF PREPARATION

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants. 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.

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

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

2.2 Going concern 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.

As at 31 December 2025, the Group had borrowings and convertible bonds amounted to approximately RMB36,152.2 million (2024: RMB118,077.8 million) and RMB57.3 million (2024: nil), respectively that would fall due and be repayable within one year while the Group's cash and bank balances amounted to approximately RMB544.7 million (2024: RMB697.6 million) only. Further, as at 31 December 2025, the Group's borrowings amounted to approximately RMB30,544.5 million (2024: RMB114,157.9 million) were default and/or cross-defaulted with other borrowings, which, as a consequence, would be immediate repayable if and when requested by the respective lenders.

Although the Group has completed its offshore debt restructuring (the “**Debt Restructuring**”) during the year ended 31 December 2025 that would definitely improve the financial liquidity of the Company, however as affected by the downturn of the property market in the PRC in recent years, the Group has been facing challenges in the sales and pre-sale performances, in particular the sales of properties for the year ended 31 December 2025 decreased to approximately RMB6,143.7 million (2024: RMB8,056.8 million).

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 2025. They are of the opinion that, taking into account the following plans and measures (the “**Plans and Measures**”), the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from 31 December 2025. 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 at 31 December 2025, the Group's borrowings with an aggregate amount of approximately RMB30,544.5 million (2024: RMB114,157.9 million) were defaulted. Up to the date for the issuance of the consolidated financial statements, the Group's borrowings amounted to approximately RMB1,839.1 million, where the repayment periods have been extended to years 2026 to 2028. Moreover, the Group had borrowings of approximately RMB13,199.0 million that were secured by the Group's assets and thus, the directors of the Company believe that it is highly probable that these borrowings can be renewed in the next twelve months.

Based on progress in communicating with the lenders and creditors, the directors of the Company believe that the Group is highly probable to obtain 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 bank borrowings and other borrowings due in the Group's favour.

- (ii) 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 of 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 deliver of its property development projects as planned.

- (iii) The Group continues to actively adjust the sales and pre-sale activities to respond to market changes and capture demands. The management considers that the PRC property market will gradually return to a sound and stable development track taking into account the PRC Central Government's 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 takes proactive steps to enhance the payment collection progress from customers in respect of the property sales and pre-sales through closely following up with the customers and communicating and coordinating with banks for the timely grant of individual mortgage loans to the customers in accordance with the timeline of Cash Flow Forecast prepared by the management.

Accordingly, the directors 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.

- (iv) During the year ended 31 December 2025, the Group's selling and marketing cost and administrative expenses were reduced to approximately RMB287.0 million (2024: RMB453.7 million) and RMB1,058.4 million (2024: RMB1,388.1 million), respectively. The management of the Company is continuing to implement a detailed plan with the detailed timetable and actions to be carried out which have been reviewed by the directors of the Company to control operational and administrative costs through various channels, including but not limited to (1) optimise and adjust human resources; (2) streamline logistics operations through human resources consolidation and productivity optimisation; (3) restrain capital expenditures; and (4) assess additional measures to further reduce discretionary spending, among others. Further, the management of the Company has also prepared a detailed plan which has been reviewed by the directors of the Company to implement more stringent cash flow management with the objective to expedite the collection of receivables and to achieve better payment terms with trade vendor.
- (v) The management of the Company regularly conducts detailed analyses and estimates of the cost saving and cash inflow upon implementing the above-mentioned relevant actions so as to assess whether the Company could reduce operating and administrative costs and 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 2025. 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 2025. 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 will be 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 HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard 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 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard 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.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

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

Amendment to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
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 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

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 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the application of the amendments to HKFRS Accounting Standards 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* (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* 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. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates and Joint Ventures* deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

4. SEGMENT INFORMATION

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

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

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

(a) Segment revenue and results, assets and liabilities

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

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

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

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

Information regarding the Group's reportable segment revenue, results and other information as provided to the CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 31 December 2024 is set out below.

	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel and catering operations RMB'000	Cultural centre operations RMB'000	Healthcare operations RMB'000	Others RMB'000	Total RMB'000
Year ended 31 December 2025								
Revenue and results								
Revenue	6,143,741	584,952	1,678,860	238,912	213,513	657,859	249,837	9,767,674
Less: inter-segment revenue	-	(104,638)	(139,163)	-	(16,417)	-	(7,234)	(267,452)
Revenue from external customers	<u>6,143,741</u>	<u>480,314</u>	<u>1,539,697</u>	<u>238,912</u>	<u>197,096</u>	<u>657,859</u>	<u>242,603</u>	<u>9,500,222</u>
Results								
Segment results before the items below:	(24,596,857)	279,577	225,550	44,099	22,852	(25,738)	(2,059,159)	(26,109,676)
Gain on disposals of subsidiaries, net	18	-	-	-	-	-	-	18
Fair value loss of investment properties, net	-	(471,350)	-	-	-	-	-	(471,350)
Share of results of associates	(1,500,768)	-	10,140	-	-	-	(2,821)	(1,493,449)
Share of results of joint ventures	(138,945)	-	-	-	-	-	(3,194)	(142,139)
Segment results	<u>(26,236,552)</u>	<u>(191,773)</u>	<u>235,690</u>	<u>44,099</u>	<u>22,852</u>	<u>(25,738)</u>	<u>(2,065,174)</u>	<u>(28,216,596)</u>
Fair value loss on financial assets at FVTPL, net								(912,075)
Gain on Debt Restructuring								85,373,896
Corporate and other unallocated expenses								(766,212)
Finance income								7,011
Finance costs								<u>(2,679,107)</u>
Finance costs, net								<u>(2,672,096)</u>
Profit before income tax								52,806,917
Income tax expenses								<u>(481,374)</u>
Profit for the year								<u>52,325,543</u>

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2024 is as follows:

	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel and catering operations RMB'000	Cultural centre operations RMB'000	Healthcare operations RMB'000	Others RMB'000	Total RMB'000
Year ended 31 December 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	<u>8,056,756</u>	<u>498,621</u>	<u>1,619,183</u>	<u>261,777</u>	<u>198,572</u>	<u>666,724</u>	<u>259,101</u>	<u>11,560,734</u>
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	<u>(20,817,048)</u>	<u>(1,556,957)</u>	<u>220,110</u>	<u>36,306</u>	<u>(89,506)</u>	<u>(54,195)</u>	<u>(4,390,782)</u>	<u>(26,652,072)</u>
Fair value loss on financial assets at FVTPL, net								(253,165)
Corporate and other unallocated expenses								(233,201)
Finance income								19,362
Finance costs								<u>(1,966,489)</u>
Finance costs, net								<u>(1,947,127)</u>
Loss before income tax								(29,085,565)
Income tax expenses								<u>(143,350)</u>
Loss for the year								<u>(29,228,915)</u>

(b) Geographical information

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

(c) Information about major customers

For the years ended 31 December 2025 and 31 December 2024, none of the Group's customers accounted for more than 10% of the Group's total revenue.

5. REVENUE

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

During the years ended 31 December 2025 and 31 December 2024, the Group's operating activities are attributable to following operating segments focusing on the operation of:

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

(a) Disaggregation of revenue from contracts with customers

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
Sales of properties	6,143,741	8,056,756
Provision of property management service	1,539,697	1,619,183
Provision of hotel and catering operations services	238,912	261,777
Provision of cultural centre operations services	197,096	198,572
Provision of healthcare operations services	657,859	666,724
Others	242,603	259,101
	9,019,908	11,062,113
<i>Revenue from other sources</i>		
Rental from leasing of properties	480,314	498,621
	9,500,222	11,560,734

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
<i>Revenue from contracts with customers</i>		
– Over time	2,218,308	2,338,633
– At a point in time	6,801,600	8,723,480
	9,019,908	11,062,113

6. OTHER INCOME, GAINS AND LOSSES, NET AND GAIN ON DEBT RESTRUCTURING

(a) Other income, gains and losses, net

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Forfeited customer deposits	–	7,865
Unconditional government subsidy income	35,834	26,166
Gain (loss) on disposals of property, plant and equipment	70,870	(699,080)
Loss on disposal of investment properties	(77,222)	(107,712)
Exchange gains (losses), net	1,184,205	(1,516,440)
Fair value loss on financial assets at FVTPL, net	(912,075)	(253,165)
Gain on early termination of lease contracts	357,928	–
Changes in fair value on MCBs	714,130	–
Gain on disposal of financial assets at FVTPL, net	7,731	–
Loss on deregistration of associates	–	(834)
Impairment loss recognised for investments in associates	–	(252,353)
Impairment loss recognised for property, plant and equipment	(100,000)	(270,000)
Impairment loss recognised for goodwill	–	(24,378)
Impairment loss recognised for properties under development and completed properties held for sale	(19,992,553)	(11,297,601)
Others	(104,942)	(618,587)
	<u>(18,816,094)</u>	<u>(15,006,119)</u>

(b) Gain on Debt Restructuring

The management of the Company has performed the qualitative assessment on the Debt Restructuring and considers that the terms of the original in-scope debt have been substantially modified and thus, the in-scope debt under the Scheme, including the derecognised senior notes, the derecognised offshore loans, the derecognised perpetual capital securities, the previously recognised derecognised financial guarantee contracts granted by the Company and the related derecognised accrued interest payable were considered extinguished and were derecognised for accounting purposes, and the issued instruments, including the new senior notes, mandatory convertible bonds (“MCBs”) and AHG Work Fee shares were recognised at their fair values as at the Completion Date of the Debt Restructuring and the AHG Work Fee of cash paid thereon. The Debt Restructuring resulted in gain of approximately RMB85,373,896,000 which was credited to the profit or loss for the year ended 31 December 2025.

7. IMPAIRMENT LOSS RECOGNISED

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
(Reversal of) impairment loss recognised for:		
– Financial assets, including trade and other receivables, amounts due from associates, amounts due from joint ventures and amounts due from non-controlling interests in subsidiaries	8,287,023	5,606,275
– Financial liabilities in respect of financial guarantees regarding liabilities of the Group’s associates and joint ventures and third parties	(208,744)	(72,325)
	<u>8,078,279</u>	<u>5,533,950</u>

8. FINANCE INCOME AND FINANCE COSTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Finance income		
Interest income	7,011	19,362
Finance costs		
Interest expense		
– Bank borrowings	2,229,500	2,370,483
– Senior Notes	7,563,731	8,423,109
– Other borrowings	2,579,994	3,133,449
– Lease liabilities	3,129	526
Total interest expenses	12,376,354	13,927,567
Less: Interest capitalised	(9,697,247)	(11,961,078)
	2,679,107	1,966,489

9. PROFIT (LOSS) BEFORE INCOME TAX

Profit (loss) before income tax has been arrived at after charging (crediting)

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Staff cost, including directors' remuneration		
– Staff salaries and allowances	501,393	898,031
– Performance bonus	–	–
– Equity-settled share-based payment expenses	–	2,786
– Contributions to defined contribution retirement schemes	21,769	33,528
	523,162	934,345
Auditor's remunerations		
– Audit services	5,100	5,800
– Non-audit services	820	–
	5,920	5,800
Predecessor auditor's remunerations		
– Non-audit services	–	1,000
Gross rental income from investment properties	480,314	498,621
Less: Outgoing in respect of investment properties that generated rental income during the year	(167,044)	(258,748)
	313,270	239,873
Others:		
Depreciation and amortisation:		
– Property, plant and equipment	234,256	268,546
– Right-of-use assets	63,753	68,085
– Intangible assets	31,793	40,625
– Land use rights	12,961	13,410
Minimum lease payments under operating leases	1,752	4,828
Cost of sales	9,048,386	11,322,837

10. INCOME TAX EXPENSES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current income tax		
– PRC enterprise income tax	224,628	91,859
– PRC land appreciation tax	710,713	78,109
Overprovision in prior years:		
– PRC enterprise income tax	(333,066)	–
Deferred income tax	(120,901)	(26,618)
	<u>481,374</u>	<u>143,350</u>

11. DIVIDENDS

No dividends were paid, declared or proposed for the years ended 31 December 2025 and 2024, nor has any dividend been proposed since the end of the reporting periods.

12. EARNINGS (LOSS) PER SHARE

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

Earnings (loss) figures are calculated as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit (loss) for the year attributable to owners of the Company	52,554,898	(28,533,737)
Effect of dilutive potential ordinary shares:		
– Changes in fair value on MCBs	(685,901)	N/A
Profit (loss) for the purpose of dilutive earnings (loss) per share	<u>51,868,997</u>	<u>(28,533,737)</u>
	2025	2024
	<i>number of shares ('000)</i>	
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	<u>7,727,164</u>	<u>7,015,469</u>
Effect of dilutive potential ordinary shares:		
– Conversion of MCBs	3,586,527	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	<u>11,313,691</u>	<u>7,015,469</u>

The computation of diluted earnings per share for the year ended 31 December 2025 did not assume the exercise of outstanding share options of the Company and its subsidiaries because the exercise price of those share options was higher than the average market price for the shares.

The computation of diluted loss per share for the year ended 31 December 2024 did not assume the exercise of outstanding share options of the Company since their assumed conversion would result in a decrease in loss per share.

13. GOODWILL AND INTANGIBLE ASSETS

	Intangible assets							Goodwill RMB'000	Total RMB'000
	Contracts with sports players RMB'000	Trademarks and patent RMB'000	Customer relationship RMB'000	Technology RMB'000	Distribution network RMB'000	Other RMB'000	Sub-total RMB'000		
	Cost								
As at 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 January 2025 and 31 December 2025	1,279,274	327,249	143,789	13,858	497,400	11,520	2,273,090	1,087,331	3,360,421
Accumulated amortisation and impairment									
As at 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 and 1 January 2025	1,279,274	213,991	124,467	13,858	497,400	9,173	2,138,163	346,360	2,484,523
Amortisation	-	26,642	5,100	-	-	51	31,793	-	31,793
As at 31 December 2025	1,279,274	240,633	129,567	13,858	497,400	9,224	2,169,956	346,360	2,516,316
Net carrying amounts									
As at 31 December 2025	-	86,616	14,222	-	-	2,296	103,134	740,971	844,105
As at 31 December 2024	-	113,258	19,322	-	-	2,347	134,927	740,971	875,898

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

a) Investments in associates

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Cost of investments in associates, less accumulated impairment – Unlisted	19,848,741	19,848,741
Share of post-acquisition loss and other comprehensive loss, net of dividend received	<u>(6,968,914)</u>	<u>(5,467,228)</u>
	<u>12,879,827</u>	<u>14,381,513</u>

b) Investments in joint ventures

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
As at 1 January	7,446,149	8,450,839
Transfer to subsidiaries	–	(39,651)
Share of results of joint ventures	<u>(142,139)</u>	<u>(965,039)</u>
As at 31 December	<u>7,304,010</u>	<u>7,446,149</u>

15. TRADE RECEIVABLES

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	219,447	477,147
Over 90 days and within 180 days	102,919	92,360
Over 180 days and within 270 days	119,012	285,929
Over 270 days and within 365 days	76,537	108,279
Over 365 days	<u>587,233</u>	<u>798,783</u>
	1,105,148	1,762,498
Less: Provision for ECL allowances	<u>(206,914)</u>	<u>(501,956)</u>
	<u>898,234</u>	<u>1,260,542</u>

16. BORROWINGS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Borrowings comprise:		
– Senior Notes	773,168	83,273,840
– New Senior Notes	33,466,715	–
– Bank borrowings	19,382,150	20,334,066
– Other borrowings	29,950,031	31,241,875
– Loan from a related company	108,781	108,781
– Loan from the controlling shareholder of the Company	115,000	115,000
	<u>83,795,845</u>	<u>135,073,562</u>
Less: current portion	<u>(36,152,156)</u>	<u>(118,077,834)</u>
Amounts shown under non-current liabilities	<u>47,643,689</u>	<u>16,995,728</u>
Analysed as:		
– Fixed-rated bank and other borrowings	61,113,102	110,234,884
– Variable-rated bank and other borrowings	22,682,743	24,838,678
	<u>83,795,845</u>	<u>135,073,562</u>
Analysed as:		
– Senior Notes	773,168	83,273,840
– New Senior Notes	33,466,715	–
– Secured	32,557,168	33,603,468
– Unsecured	16,998,794	18,196,254
	<u>83,795,845</u>	<u>135,073,562</u>

17. COMMITMENTS

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

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

(b) Lease commitments

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Not later than one year	<u>304</u>	<u>330</u>

(c) Operating lease rentals receivable

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

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 1 year	183,239	201,310
After 1 year but within 2 years	164,509	173,366
After 2 years but within 3 years	113,552	130,785
After 3 years but within 4 years	79,143	89,233
After 4 years but within 5 years	71,989	81,808
After 5 years	<u>171,883</u>	<u>184,487</u>
	<u>784,315</u>	<u>860,989</u>

CHAIRMAN’S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Kaisa Group Holdings Ltd. (“**Kaisa**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I hereby present to you the annual results of the Group for the year ended 31 December 2025 together with the comparative figures for the previous year.

RESULTS AND DIVIDEND

During the year ended 31 December 2025, the Group’s revenue decreased by approximately 17.8% to approximately RMB9,500.2 million, while gross profit increased by approximately 89.9% to approximately RMB451.8 million, as compared to 2024. Profit attributable to owners of the Company was approximately RMB52,554.9 million, with a basic earnings per share of RMB6.801 (2024: loss of approximately RMB28,533.7 million and basic loss per share of RMB4.067).

The Board did not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

BUSINESS REVIEW

Property Market and Policies

In 2025, the global economy was in a phase marked by the conclusion of a high-interest-rate cycle, a gradual decline in inflation levels, and the restructuring of the geopolitical landscape. Facing a complex external environment, China adhered to the general principle of pursuing progress while ensuring stability, focusing its efforts on expanding domestic demand, promoting industrial upgrading, and preventing and defusing risks, with full-year GDP surpassing RMB140 trillion, representing a year-on-year growth of 5.0%. The main projected targets were successfully achieved, and economic performance was generally stable with a continuously optimised structure. Meanwhile, China’s economic development still faced challenges such as relatively weak demand recovery, weakening market expectations, and risk clearing, and the macroeconomy remained in a stage of steady recovery and transformation and adjustment.

This year was a crucial year for the real estate sector as it transitioned toward a new development model. Policies formed a comprehensive support system centered on controlling new supply, reducing inventory, and optimising supply. The central government reinforced top-level design with the “15th Five-Year Plan” and the Central Economic Work Conference, exerting coordinated efforts on both the supply and demand sides to advance urban renewal and the construction of “Quality Housing”. Local governments introduced over 700 policies that were effectively implemented, driving a continuous decline in the area of commodity housing for sale for 10 consecutive months. The national market remained in an adjustment phase, with new home sales marginally weakening and development investment declining year-on-year. In key cities, the second-hand market saw a price-for-volume trade-off, and market differentiation intensified. As policies continued to take effect, the market gradually bottomed out and stabilized. The industry is transitioning towards a stage of high-quality development, focusing on upgrading the quality of existing stock and prioritising residential needs.

Debt Restructuring Sets a Benchmark, Forging Ahead with Transformation

During the year, facing a complex and severe market environment coupled with the industry's profound adjustments, Kaisa maintained its strategic resolve and stabilized its fundamental business operations amidst industry changes. Regarding risk resolution, within the year, the Group focused on restoring credibility and achieving a breakthrough and revival. The offshore debt restructuring was fully implemented and has taken effect, successfully establishing a benchmark and model for Chinese mainland enterprises' offshore debt restructuring, thereby laying a solid foundation for the Group to advance with a lighter burden and maintain steady progress.

In 2025, the Group upheld its bottom line, consolidated its foundation, and pooled its efforts to “secure livelihood, ensure delivery and guarantee quality”. By safeguarding the value of its core assets, it achieved a breakthrough against the tide. The Dongjiaotou Project achieved remarkable success in its initial launch. This stellar performance validated the underlying value of its assets and fully demonstrated the team's exceptional project execution capabilities and highly efficient operational effectiveness.

In terms of transformation to a new model, Kaisa proactively sought change and pursued innovative development. It tapped into the potential of emerging sectors such as cultural, commercial and tourism operations, the pet economy, and health and wellness. By collaborating with central and state-owned enterprises, it accelerated the revitalization of core assets including Guangzhou Shixi. This continuously enriched the connotations of the new development model, accumulated robust momentum to navigate the industry cycle, and drove a sustained improvement in fundamental business operations.

Securing livelihood, ensuring delivery, and guaranteeing quality

In 2025, the Group, together with its joint ventures and associates, recorded contracted sales of approximately RMB5,544.4 million. Kaisa adopted a project-specific strategy to revitalize existing assets, while expanding into leasing and diversified operations to generate new cash flow streams. Concurrently, the Group established a full lifecycle service system, leveraging customer trust and homeowner-driven economy to transition from transaction-based sales to value co-creation.

Kaisa has always regarded “securing livelihood, ensuring delivery, and guaranteeing quality” as its primary mission. By implementing various measures to fulfill its commitment of ensuring timely delivery, Kaisa fulfilled its corporate responsibilities and preserved customer confidence. During the year, Kaisa delivered a total of 18 projects amounting to 8,592 homes in various cities including Shenzhen, Guangzhou, Huizhou, Shantou, Luoyang, Hefei, Xuzhou, Chengdu and Chongqing, fulfilling its commitment to delivering high-quality homes and creating beautiful communities for homeowners.

In 2025, the Group implemented the national “Quality Housing” initiative, with several delivered projects including Shenzhen Levana Park, Jiangmen Yuefeng Mansion, Beijing Xishan Palace, Henan Luoyang Gongyuanyin, and Henan Xinxiang Yuefeng obtaining National Star-rated Green Building Certification. Kaisa is committed to developing resource-efficient and environmentally-friendly high-quality projects. Kaisa consistently adheres to the design principles of safety, comfort, green, and intelligence, building a full-chain ecosystem of quality products, quality services, and quality living. By establishing industry-leading standards for quality housing, the Group delivers a value upgrade from merely “living spaces” to “life experiences” for homeowners. Moving forward, the Group will dedicate efforts to integrate its diverse portfolio spanning property development, commercial operations, cultural and sports venues, redefining a new model for vibrant communities within composite cities.

Land Reserves

Deepening its penetration in the first-tier and major second-tier cities has always been the development strategy of the Group. As at 31 December 2025, the Group together with its joint ventures and associates had a total of 146 real estate projects in 41 cities nationwide, with a total land bank of nearly 19.1 million sq.m., of which approximately 12.3 million sq.m. or 64.2% of the Group’s total land bank are located in the Greater Bay Area. Among the cities in the Greater Bay Area, Shenzhen and Guangzhou are the core markets that the Group has focused on over the years, accounting for 39.8% of its land bank in the Greater Bay Area.

Urban Renewal

On 31 December 2025, the Ministry of Natural Resources and the Ministry of Housing and Urban-Rural Development jointly issued the “Notice on Certain Measures for Further Supporting Urban Renewal Actions”, stipulating provisions regarding enhancing the adaptability of detailed planning, optimising transitional support policies, advancing temporary use of existing land and spaces, encouraging integrated operations through the portfolio supply of resources and assets, innovating real estate registration services, and properly resolving historically unresolved matters. The core objective of the policy is to encourage urban renewal that supports the development needs of new industries and new business models. In response to urban renewal requirements, detailed planning for areas designated for renewal shall be evaluated and optimised through technical corrections and adjustment refinements. For projects meeting the development needs of new industries and new business models, a positive list shall be established to encourage mixed-use land development and composite spatial utilization. Approved projects conforming to this positive list during implementation shall be deemed to comply with the detailed planning. The introduction of these policies has not only created a high-quality, sustainable policy environment for Kaisa’s urban renewal projects, but has also provided more opportunities for breakthroughs in key projects, enabling the Company to stabilize its operations, drive transformation, improve quality, and open a new chapter of sustainable development.

The Group plans to replenish its land bank with high-quality urban renewal reserves while offering a full-process urban renewal service model, empowering industrial upgrading and practicing high-quality and sustainable development.

Financing

The year 2025 was a pivotal year for China's real estate market as it transitioned from a period of structural recalibration into a phase of stabilization and recovery. The real estate financial market exhibited characteristics of "policy-backed underpinning, market bottoming, and risk containment". Financial support shifted from "emergency alleviation" to "long-term mechanism construction," while financing displayed features of "aggregate shrinkage, structural optimisation, and risk mitigation". Direct financing channels expanded, with financing innovations achieving breakthroughs in specific sectors. However, against the backdrop of persistent market adjustments, property developers' self-sustaining cash generation capacity remained unrecovered. The industry's funding chain remained in a phase of profound adjustment. Financing structures exhibited two defining characteristics: firstly, a strongly policy-driven nature where relief funds and other policy instruments contributed the majority of new financing; secondly, a clear dichotomy with unimpeded financing access for high-quality SOEs while private enterprises' funding difficulties remained fundamentally unresolved, further intensifying industry concentration.

Against this backdrop, the Group proactively took steps to steadily advance debt management efforts, and made significant progress in offshore debt restructuring. The Group actively advanced onshore debt extensions alongside reductions in costs and interest rates, resulting in a continuous decline in financing costs compared to the end of 2024. Several white-list projects received loan disbursements, successfully ensuring delivery. In the future, the Group will leverage its core advantages in land reserves and urban renewal in the Greater Bay Area to continuously innovate debt resolution models, and will explore innovative financing models for commercial real estate and new-economy properties, vigorously cultivating new growth drivers in performance.

As announced on 15 September 2025, the Group successfully completed its offshore debt restructuring, fully discharging in-scope debt through the issuance of new notes and mandatory convertible bonds to creditors. This strategic deleveraging has significantly improved the Group's financial position and alleviated immediate liquidity pressures. For details, please refer to the announcement of the Company dated 15 September 2025.

Outlook

Looking ahead, the global economic recovery remains uneven, and external uncertainties persist. The Central Financial Work Conference and the Central Economic Work Conference have emphasised intensifying cross-cyclical and counter-cyclical adjustments while leveraging the synergistic effects of both existing and new policies. It is anticipated that proactive fiscal policy will be implemented with greater intensity and effectiveness, while moderately loose monetary policy will be precisely applied, working in concert to stabilize the macroeconomic foundation. With China's moderate price levels and ample policy space, coupled with the effective implementation of a comprehensive package of growth-stabilizing measures, 2026 is poised to become a pivotal year for China's sustained economic recovery, quality enhancement, and efficiency improvement.

In 2026, real estate policies will continue to anchor on two core tasks: stabilizing the market and building a new development model. Adhering to the principles of controlling new supply, reducing inventory, and optimising supply structure, both the supply and demand sides will see intensified efforts to persistently lower home purchase costs and support property developers' transition. The "whitelist" mechanism for ensuring housing delivery will further demonstrate its effectiveness, while the "three major projects", quality housing construction, and urban renewal will remain primary policy drivers. The restoration of market expectations and rebuilding of confidence will be pivotal for market stabilization and recovery, collectively forming crucial support for stabilizing investment, sales, and expectations.

In the future, global development continues to confront multifaceted challenges and transformations. The year 2026 marks the inaugural year of China's 15th Five-Year Plan and represents a pivotal year for driving economic recovery and accelerating the development of new quality productive forces. As policies supporting the private sector, ensuring the stable and healthy development of the real estate market, and expanding domestic demand are fully implemented and demonstrate tangible results, we maintain unwavering confidence in China's bright long-term economic prospects. We will proactively fulfill our responsibilities to steadily mitigate operational risks and expedite our return to a sound development track, and pursue breakthroughs for quality enhancement and efficiency improvement; and achieve higher-quality, more sustainable development.

Acknowledgments

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

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

KWOK Ying Shing
Chairman

Hong Kong, 31 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

During the year ended 31 December 2025, the Group recorded revenue of approximately RMB9,500.2 million, representing a decrease of 17.8% as compared with 2024. Profit attributable to owners of the Company was approximately RMB52,554.9 million, compared to a loss of RMB28,533.7 million in 2024. Basic earnings per share amounted to RMB6.801 (2024: basic loss per share of RMB4.067).

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

Contracted sales in 2025

In 2025, the Group together with its joint ventures and associates recorded contracted sales of approximately RMB5,544.4 million, representing a decrease of 17.9% from approximately RMB6,757.0 million in 2024. Aggregated GFA sold for the year was approximately 350,978 sq.m., representing a decrease of 36.6% from approximately 553,297 sq.m. in 2024. The table below shows the Group's contracted sales by region in 2025:

Region	Contracted sales area (sq.m.)	Contracted sales amount (RMB in millions)
Guangdong-Hong Kong-Macao Greater Bay Area	175,939	4,356.0
Yangtze River Delta	17,365	183.9
Central China Region	2,728	15.0
Western China Region	61,206	478.8
Pan-Bohai Bay Rim	93,740	510.7
Total	350,978	5,544.4

Property development

Projects completed in 2025

The Group adopts a strict and prudent practice in project development and adjusts its pace of business expansion as and when appropriate. During the year ended 31 December 2025, the GFA of newly completed projects of the Group together with its joint ventures and associates amounted to approximately 1.6 million sq.m..

Projects under development

As at 31 December 2025, the Group together with its joint ventures and associates had 54 projects under development with an aggregate GFA of approximately 5.9 million sq.m..

Property management

The Group generated revenue from providing property management services. During the year ended 31 December 2025, the Group has a total GFA of approximately 99.1 million sq.m. under management. The Group's property management services strive to deliver excellent and professional services to its customers and enhance the brand and corporate image of the Group. As of 31 December 2025, the Group provided property management services to 78 cities nationwide, covering residential, commercial, office, tourism and large-scale stadiums.

Investment properties

The Group adopts a diversified business strategy, characterised by its increase in investment in properties. The investment properties will generate steady and reliable income and enlarge the overall income base of the Group. The Group develops commercial properties such as office buildings, retail stores and car parks for leasing purpose. In managing its investment property portfolio, the Group takes into account the long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 31 December 2025, the Group held 9 investment property projects, with an aggregate GFA of approximately 0.42 million sq.m..

Land bank

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

As at 31 December 2025, the Group together with its joint ventures and associates had a total land bank of approximately 19.1 million sq.m., and approximately 64.2% of land bank was located in the Greater Bay Area, which is sufficient for the Group's development needs for the next five years.

FINANCIAL REVIEW

Revenue

The Group primarily derived its revenue from the following business segments: (i) property development, (ii) property investment, (iii) property management, (iv) hotel and catering operations, (v) cultural centre operations, (vi) healthcare operations and (vii) others. Revenue decreased by 17.8% to approximately RMB9,500.2 million in 2025 from approximately RMB11,560.7 million in 2024. 64.7% of the Group's revenue was generated from the sales of properties (2024: 69.7%) and 35.3% from other segments (2024: 30.3%).

Sales of properties

Revenue from sales of properties decreased by approximately RMB1,913.0 million, or 23.7%, to approximately RMB6,143.7 million in 2025 from approximately RMB8,056.8 million in 2024. The decrease was mainly attributable to the decrease in total delivered GFA to approximately 0.5 million sq.m. for the year ended 31 December 2025 from approximately 0.6 million sq.m. for the year ended 31 December 2024.

Rental income

Rental income decreased slightly by approximately RMB18.3 million, or 3.7%, to approximately RMB480.3 million in 2025 from approximately RMB498.6 million in 2024.

Property management

Revenue from property management services decreased slightly by approximately RMB79.5 million, or 4.9%, to approximately RMB1,539.7 million in 2025 from approximately RMB1,619.2 million in 2024.

Hotel and catering operations

Revenue from hotel and catering operations of the Group decreased by approximately RMB22.9 million, or 8.7% to approximately RMB238.9 million in 2025 from approximately RMB261.8 million in 2024.

Cultural centre operations

Revenue from cultural centre operations decreased slightly by approximately RMB1.5 million, or 0.7%, to approximately RMB197.1 million in 2025 from approximately RMB198.6 million in 2024.

Healthcare operations

Revenue from healthcare operations decreased slightly by approximately RMB8.9 million, or 1.3%, to approximately RMB657.9 million in 2025 from approximately RMB666.7 million in 2024.

Gross profit

As a result of the foregoing, the Group's gross profit increased by approximately RMB213.9 million, or 89.9%, to approximately RMB451.8 million in 2025 from approximately RMB237.9 million in 2024. The gross profit margin increased from 2.1% in 2024 to 4.8% in 2025, primarily due to lower costs associated with properties completed and delivered during the year.

Other income, gains and losses, net

The Group had net other losses of approximately RMB18,816.1 million in 2025, as compared to net other losses of approximately RMB15,006.1 million in 2024. The Group's net other losses in 2025 mainly comprised impairments loss recognised for properties under development and completed properties held for sale of approximately RMB19,992.6 million, fair value loss on financial assets at fair value through profit or loss of approximately RMB912.1 million, net exchange gains of approximately RMB1,184.2 million and fair value gain on convertible bonds of approximately RMB714.1 million.

Gain on Debt Restructuring

The Group successfully completed its offshore debt restructuring during the year ended 31 December 2025. Pursuant to the offshore debt restructuring, the Group's material offshore indebtedness comprising previously recognised financial guarantee contracts, senior notes, offshore loans, perpetual capital securities, and related accrued interest payables were considered extinguished and derecognised for accounting purposes. Concurrently, the new instruments including the new senior notes and mandatory convertible bonds were recognised at their fair values as at the effective date. The debt restructuring resulted in a gain of approximately RMB85,373.9 million.

Selling and marketing costs

The Group's selling and marketing costs decreased by approximately RMB166.7 million, or 36.7%, to approximately RMB287.0 million in 2025 from approximately RMB453.7 million in 2024. The decrease in selling and marketing costs was in line with the decrease in the Group's contracted sales for the year ended 31 December 2025.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB329.7 million, or 23.8%, to approximately RMB1,058.4 million in 2025 from approximately RMB1,388.1 million in 2024. The decrease was mainly due to the implementation of the cost control measures.

Fair value loss of investment properties, net

In 2025, the Group recorded a net fair value loss on investment properties of approximately RMB471.4 million (2024: RMB769.6 million).

Impairment loss recognised

The Group's impairment loss on financial assets and financial liabilities increased by approximately RMB2,544.3 million or 46.0% to approximately RMB8,078.3 million in 2025 from approximately RMB5,534.0 million in 2024. This was primarily attributable to an increase in expected credit loss arising from an increase in long aging receivables.

Finance costs, net

The Group's net finance costs increased by approximately RMB725.0 million or 37.2% to approximately RMB2,672.1 million in 2025 from approximately RMB1,947.1 million in 2024. The increase was primarily due to a decrease in the amount of finance costs capitalised.

Income tax expenses

The Group's income tax expenses increased by approximately RMB338.0 million or 235.8% to approximately RMB481.4 million in 2025 from approximately RMB143.4 million in 2024.

Profit/loss and total comprehensive income/expenses for the year

As a result of the foregoing, the Group's profit and total comprehensive income for the year amounted to approximately RMB52,325.5 million and approximately RMB52,302.8 million, respectively (2024: loss and total comprehensive expenses of RMB29,228.9 million and RMB29,227.7 million, respectively).

Liquidity, financial and capital resources

Cash position

As at 31 December 2025, the carrying amount of the Group's cash and bank deposits was approximately RMB1,599.6 million (31 December 2024: approximately RMB2,390.4 million), representing a decrease of 33.1% as compared to that as at 31 December 2024. Certain property development companies of the Group placed a certain amount of pre-sales proceeds to designated bank accounts as collateral for the construction loans. Such collateral will be released after completion of the pre-sales properties or the issuance of the title of the properties, whichever is the earlier. Additionally, as at 31 December 2025, certain of the Group's cash was deposited in certain banks as collateral for the benefit of mortgage loan facilities granted by the banks to the purchasers of the Group's properties. The aggregate of the above collateral amounted to approximately RMB1,054.9 million as at 31 December 2025 (31 December 2024: approximately RMB1,692.7 million).

Borrowings and charges on the Group's assets

As at 31 December 2025, the Group had aggregate borrowings of approximately RMB83,795.8 million (31 December 2024: RMB135,073.6 million), of which approximately RMB36,152.2 million (31 December 2024: RMB118,077.8 million) will be repayable on demand or within 1 year, approximately RMB4,623.8 million (31 December 2024: RMB4,235.5 million) will be repayable between 1 and 2 years, approximately RMB25,928.8 million (31 December 2024: RMB10,728.6 million) will be repayable between 2 and 5 years and approximately RMB17,091.0 million (31 December 2024: RMB2,031.7 million) will be repayable over 5 years.

As at 31 December 2025, the senior notes were secured by the share pledge of the Company's subsidiaries incorporated outside the PRC, and are jointly and severally guaranteed by certain subsidiaries of the Company. The Group's domestic bank loans carried a floating interest rate linking up with the base lending rate of the People's Bank of China. The Group's interest rate risk is mainly from the floating interest rate of domestic bank loans.

Key financial ratios

As at 31 December 2025, the Group's leverage ratio (defined as net debts (total borrowings net of cash, bank balances, and restricted bank balances and cash) divided by total assets) was 44.6% (31 December 2024: 63.0%). The Group's net current assets amounted to approximately RMB35,222.4 million as at 31 December 2025, compared to net current liabilities of RMB51,015.7 million as of 31 December 2024. The quick ratio (cash and bank deposits divided by short-term borrowings) was 0.04 times (31 December 2024: 0.02 times), and the current ratio was 1.3 times (31 December 2024: 0.8 times).

The cash to short-term debt ratio is defined as cash and bank balances (excluding restricted bank balances and cash) divided by short-term borrowings. As of 31 December 2025, the Group's cash and bank balances (excluding restricted bank balances and cash) were approximately RMB544.7 million (31 December 2024: RMB697.6 million), while short-term borrowings were approximately RMB36,152.2 million (31 December 2024: RMB118,077.8 million), resulting in a ratio of 0.02 (31 December 2024: 0.01).

The liabilities to assets ratio (excluding contract liabilities) is calculated by dividing total liabilities (including perpetual capital securities) less contract liabilities and dividing by total assets less contract liabilities. As of 31 December 2025, the Group's contract liabilities, total liabilities, and total assets were approximately RMB13,174.5 million, RMB164,699.1 million and RMB184,146.0 million, respectively (31 December 2024: RMB18,520.4 million, RMB243,771.5 million and RMB210,679.7 million). Consequently, the adjusted total liabilities and adjusted total assets were approximately RMB151,524.6 million (31 December 2024: RMB225,251.1 million) and approximately RMB170,971.5 million (31 December 2024: RMB192,159.3 million), respectively. The resulting ratio was 88.6%, compared to 117.2% of 31 December 2024, representing an decrease of approximately 28.6 percentage points.

Cost of borrowings

During the year ended 31 December 2025, the Group's total interest expenses were approximately RMB12,376.4 million, representing an decrease of approximately RMB1,551.2 million or 11.1% from approximately RMB13,927.6 million in 2024.

Foreign currency risks

The Group's property development projects are substantially located in China and most of the related transactions are settled in RMB. The Company and certain of the Group's intermediate holding companies which operate in Hong Kong have recognised assets and liabilities in currencies other than RMB. As at 31 December 2025, the Group had borrowings in US dollar and HK dollar with an aggregate carrying amount of approximately RMB36,376.2 million, which are subject to foreign currency exposure.

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

Financial guarantees

As at 31 December 2025, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB21,617.4 million (31 December 2024: approximately RMB24,312.2 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, the Group would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but the Group would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage.

As of 31 December 2025, the financial guarantees given by the Group relating to the liabilities of the Group's joint ventures and associates and third parties were approximately RMB17,409.1 million (31 December 2024: approximately RMB20,767.6 million). The proceeds of the financings were mainly applied towards property development projects of the joint ventures and associates of the Group.

Employees and remuneration policy

As at 31 December 2025, the Group had 14,286 employees (31 December 2024: 15,225 employees) including 11,107 employees of Kaisa Prosperity Holdings Limited (2168.HK), 825 employees of Kaisa Health Group Holdings Limited (876.HK) and 106 employees of Kaisa Capital Investment Holdings Limited (936.HK). The related employees' costs (including the directors' remuneration) for the year ended 31 December 2025 amounted to approximately RMB523.2 million (2024: RMB934.3 million). The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus and cash awards based on individual performance. The Group provides trainings for its employees so that new employees can master the basic skills required to perform their duties and existing employees can upgrade or improve their production skills. Further, the Company adopted a share option scheme on 14 June 2019. Further information about the share option scheme will be set out in the annual report.

SUBSEQUENT EVENTS AFTER REPORTING PERIOD

Proposed disposal of 30.1210% effective interest in 青海製藥有限公司 (Qinghai Pharmaceutical Co. Ltd.*)

On 18 March 2026, a subsidiary of the Company entered into a conditional agreement to dispose of the entire issued share capital of Embrace Blossom Limited (the "**Target Company**") to Kaisa Health Group Holdings Limited ("**Kaisa Health**") in the amount of RMB21,603,729 (equivalent to approximately HK\$24,412,214), to be settled via the allotment and issue of consideration shares by Kaisa Health to the Group. Upon completion of the transaction, the Company's interest in Kaisa Health will increase by approximately 1.53% to approximately 44.52%, and Kaisa Health will continue to be accounted for as a subsidiary of the Company. Upon completion of the transaction, the Company will continue to hold, through Kaisa Health (a subsidiary of the Company), the Target Company, and the Target Company will continue to be accounted for as a subsidiary of the Company. This transaction, upon completion, will result in the disposal of a 30.1210% effective interest in 青海製藥有限公司 (Qinghai Pharmaceutical Co. Ltd.*). For further details, please refer to the announcement dated 18 March 2026.

Consent Solicitation in relation to the New Notes

On 2 December 2025, the Company commenced a consent solicitation (the “**Consent Solicitation**”) from eligible holders of the various series of variable rate senior notes issued by the Company on 15 September 2025 (the “**New Notes**”) for the proposed amendment to the indentures in respect of each series of New Notes dated 15 September 2025 and entered into by, among others, the Company (as issuer) and GLAS Agency (Hong Kong) Limited (as trustee), upon the terms and subject to the conditions set forth in the consent solicitation statement (the “**Consent Solicitation Statement**”). The principal purpose of the Consent Solicitation was to amend the terms of the indentures to pay the minimum cash interest on the New Notes payable on 28 December 2025 in the form of shares of the Company in lieu of cash, and the Company may elect to pay the minimum cash interest on the New Notes payable on 28 June 2026 and 28 December 2026 in the form of shares of the Company in lieu of cash, in accordance with the terms and subject to the conditions set forth in the Consent Solicitation Statement.

The Consent Solicitation expired at 4:00 p.m., London time, on 13 March 2026, and the Company received the requisite consents from the holders of each series of the New Notes to effect the proposed amendment. The supplemental indentures with respect to the New Notes were executed on 17 March 2026, and the proposed amendment became effective and binding on all holders of the relevant series of the New Notes, including non-consenting holders. The Company also made payment of the consent fee in relation to the Consent Solicitation. As such, the proposed amendment and the supplemental Indentures became operative.

Further, in March 2026, the Company completed a solicitation of consents to amend the maturity date of the 5% Senior Notes due 2027 from 30 November 2027 to 31 July 2026 (the “**Proposals**”). The maturity date shall be automatically extended to 31 January 2027, and then to 30 November 2027, unless the trustee receives objections to such extension from eligible holders holding no less than 20% of the aggregate principal amount of the notes outstanding. The Company has received the requisite consent necessary to effect the Proposals.

Saved as disclosed above, there are no significant events after the reporting period.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company’s accountability and transparency. The Company strives to maintain a high standard of corporate governance. The Board is of the view that, for the year ended 31 December 2025, the Company complied with the code provisions on the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

AUDIT COMMITTEE

The Audit Committee assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are independent non-executive Directors of the Company, namely Mr. RAO Yong, Mr. ZHANG Yizhao and Mr. LIU Xuesheng. Mr. RAO Yong is the Chairman of the Audit Committee. The Audit Committee has reviewed the annual results for the year ended 31 December 2025.

EXTRACT OF INDEPENDENT AUDITOR’S REPORT

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 to the consolidated financial statements, as at 31 December 2025, the Group had borrowings and convertible bonds amounted to approximately RMB36,152 million and RMB57 million, respectively that would fall due and be repayable within one year while the Group’s cash and bank balances amounted to approximately RMB545 million only. Further, as at 31 December 2025, the Group’s borrowings amounted to RMB30,544 million were default and/or cross-defaulted with other borrowings, which, as a consequence, would be immediate repayable if and when requested by the respective lenders. 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.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix C3 to the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2025.

The Company has also established written guidelines on no less exacting terms than the Model Code for securities transactions by the relevant employees of the Group, who are likely to be in possession of inside information of the Company. No incident of non-compliance with the Model Code by the Company's relevant employees have been noted for the year ended 31 December 2025 after making reasonable enquiry.

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

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, as defined under the Listing Rules).

SCOPE OF WORK OF THE AUDITOR

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 December 2025 have been agreed by the Group's auditor, ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by ZSZH (HK) Fuson CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZSZH (HK) Fuson CPA Limited on the preliminary announcement.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: nil).

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

The Company's Annual Report for the year ended 31 December 2025 will be published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.kaisagroup.com in due course.

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

Hong Kong, 31 March 2026

As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Mai Fan, 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.