佳兆業集團控股有限公司*
KAISA GROUP HOLDINGS LTD.

(Incorporated in the Cayman Islands with limited liability)
Stock Code: 1638

2025
ANNUAL REPORT



KAISA GROUP

* For identification purposes only

CORPORATE OVERVIEW

Established in 1999, Kaisa Group Holdings Ltd. (the "**Company**" or "**Kaisa**"), which together with its subsidiaries, is referred to as the ("**Group**" or "**Kaisa Group**") (stock code: 1638) is headquartered in Hong Kong. It was listed on the Main Board of The Hong Kong Stock Exchange Limited on 9 December 2009.

Kaisa Group has more than 20 groups and professional companies and has established a number of listed platforms, including Kaisa Group Holdings Ltd (1638.HK), Kaisa Prosperity Holdings Limited (2168.HK), Kaisa Health Group Holdings Limited (0876.HK) and Kaisa Capital Investment Holdings Limited (0936.HK). Kaisa's businesses cover major economic regions such as Guangdong-Hong Kong-Macao Greater Bay Area, the coordinated development area of Beijing-Tianjin-Hebei regions and the Yangtze River Economic Belt. Kaisa Group has presence in more than 50 major cities across the country. Its business covers more than 20 industrial fields such as comprehensive development, urban renewal, healthcare, culture & leisure, sports, technology, property management, commercial operations, hotel operations and so on.

Kaisa Group upholds the strategic positioning of "urban public service provider". With "professionalism, innovation, value, and responsibility" as its core corporate values, Kaisa Group focuses on four sustainable development dimensions, namely city co-creation, livelihood sharing, coexistence with environment and home building. In terms of industrial layout, Kaisa Group takes urban renewal as the platform, industrial transformation projects as the grasp, citizens' needs as the basis and ecological environment as the foundation, to explore the development mode of urban public services.



Kaisa Group has always regarded social responsibility as its own one. Over the years, it has funded more than 80 charitable projects in poverty alleviation, poverty relief, education, medical care, environmental protection, and fighting the epidemic, with a cumulative amount of more than RMB1.7 billion. The Group has also gradually established a complete charity platform of "Three Funds and One Foundation" (三金一會) comprising Kaisa Public Welfare Foundation (佳兆業公益基金會), Kaisa Medical Workers Caring Fund (佳兆業白衣天使基金), Kaisa Yushu Education Fund (佳兆業玉樹助學基金) and Kaisa Sanitation Workers Caring Fund (佳兆業環衛工關愛基金). The Group continues to promote the advancement of public welfare undertakings through normalized, institutionalized, and standardized operating mechanisms.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. KWOK Ying Shing *(Chairman)*
Mr. MAI Fan *(Vice Chairman)*
Mr. LI Haiming (resigned on 5 January 2026)
Mr. KWOK Hiu Kwan
Ms. LUO Tingting
Mr. SONG Wei
Mr. LIU Lihao

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. RAO Yong
Mr. ZHANG Yizhao
Mr. LIU Xuesheng
Mr. LI Dapeng (appointed on 31 March 2025)

AUDIT COMMITTEE

Mr. RAO Yong *(Chairman)*
Mr. ZHANG Yizhao
Mr. LIU Xuesheng

REMUNERATION COMMITTEE

Mr. ZHANG Yizhao *(Chairman)*
Mr. RAO Yong
Mr. KWOK Ying Shing

NOMINATION COMMITTEE

Mr. KWOK Ying Shing *(Chairman)*
Mr. RAO Yong
Mr. ZHANG Yizhao
Ms. LUO Tingting (appointed on 30 June 2025)
Mr. LI Dapeng (appointed on 30 June 2025)

AUTHORISED REPRESENTATIVES

Mr. MAI Fan
Ms. LUO Tingting

COMPANY SECRETARY

Mr. YU Kwok Leung

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 3306, Kerry Center
Ren Min South Road
Luohu
Shenzhen
Guangdong
China



CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F, The Center
99 Queen's Road Central
Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3
Building D, P.O. Box 1586
Gardenia Court, Camana Bay
Grand Cayman, KY1-1110
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

PRINCIPAL BANKERS

Bank of China Limited
Industrial and Commercial Bank of China Limited
Ping An Bank Company Limited
China Citic Bank Corporation Limited
China Minsheng Banking Corp. Ltd.

LEGAL ADVISERS

As to Hong Kong and U.S. law:
Sidley Austin

As to PRC law:
King & Wood

As to Cayman Islands law:
Harney Westwood & Riegels

AUDITOR

ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited)

LISTING INFORMATION

Share Listing
The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
(Stock Code: 1638.HK)

COMPANY'S WEBSITE

http://www.kaisagroup.com



MILESTONES

BREAKING THROUGH AND TRANSFORMING FOR THE FUTURE: FORGING A NEW CHAPTER OF QUALITY DEVELOPMENT

1. The Group is steadfastly advancing on a new journey of transformation and quality-enhancing development.

In 2025, Kaisa Group demonstrated unity and resolve in overcoming challenges and advancing forward, focusing on revitalizing core assets while persistently ensuring quality project deliveries. The Group meticulously developed "Quality Housing" to fulfill its corporate social responsibilities. Following the formal effectiveness of its offshore debt restructuring plan, the Group achieved a milestone breakthrough in risk resolution and setting an industry benchmark, which bolstered market confidence and supported the industry's goals of stabilizing expectations and housing prices. Concurrently, the Group actively advanced the integrated development of culture, commerce and tourism and light-asset transformation, pioneering new growth drivers as it steadfastly embarked on the new journey of transformation and quality development.



SETTING A BENCHMARK IN DEBT RESTRUCTURING AND MAKING ALL-OU T EFFORTS TO ENSURE DELIVERY

2. The offshore debt restructuring plan has become formally effective.

On 15 September 2025, Kaisa Group Holdings Ltd. (Stock Code: 1638.HK) announced that all conditions for its offshore debt restructuring had been satisfied, and the restructuring plan became fully effective. This milestone marks a critical step forward in Kaisa's efforts to mitigate debt risks, optimize capital structure, and reshape growth momentum, laying a solid foundation for the Company's long-term sustainable development. The restructuring not only demonstrates Kaisa's wisdom and resolve in navigating challenges but also serves as a stabilizer and bellwether for risk resolution, confidence restoration, and sustainable development within the real estate sector.



KAISA GROUP HOLDINGS LTD.
佳兆業集團控股有限公司*
(於開曼群島註冊成立的有限公司)
(股份代號：1638)

有關境外債務重組的最新資料
重組生效日期通知

茲提述佳兆業集團控股有限公司(「**本公司**」)日期為二零二三年十月十七日、二零二四年八月二十日、二零二四年九月十三日、二零二四年九月十六日、二零二四年十一月二十九日、二零二四年十二月十一日、二零二四年十二月十九日、二零二五年一月二十七日、二零二五年二月七日、二零二五年二月二十八日、二零二五年三月二十四日、二零二五年三月二十八日、二零二五年四月八日、二零二五年五月二十三日、二零二五年六月十三日、二零二五年六月二十九日、二零二五年九月一日及二零二五年九月十二日的公告(統稱「**該等公告**」)，以及二零二四年十一月二十九日的通函(統稱「**通函**」)，上述均與重組有關。除另有規定者外，本公告所用詞彙與該等公告、通函及日期為二零二五年二月七日有關計劃的說明陳述中所用詞彙具有相同涵義。

3. The Group delivered a total of 18 projects comprising nearly 10,000 residential units in 2025.

Kaisa Group has consistently upheld its core mission of "securing livelihood, ensuring delivery, and guaranteeing quality", actively responding to national "Quality Housing" construction standards and meticulously develop ins residential projects. In 2025, by reinforcing its responsibilities and overcoming challenges, the Group successfully delivered a cumulative total of 18 projects comprising nearly 10,000 residential units across multiple cities including Shenzhen, Guangzhou, Chengdu and Huizhou, thereby fulfilling its commitments to ensuring delivery while creating cherished communities for property owners. Moving forward, under the guidance of "Quality Housing" standards, the Group will continue to deepen its efforts in enhancing its product competency, operational efficiency, and service capabilities.





MILESTONES

BEARING FRUIT FROM DIVERSIFIED TRANSFORMATION AND BUILDING A NEW ENGINE FOR GROWTH

4. Two subsidiaries under Kaisa Culture & Sports Technology were awarded "2021-2024 National Model Units for Mass Sports".

In 2025, Kaisa Culture & Sports Technology Group secured multiple accolades. In January, at the 10th SportIN Sports Industry Conference & Sports Bank Annual Awards Ceremony, it received several industry awards including "Outstanding Sports Comprehensive Enterprise of the Year" and "Annual Demonstration Sports Complex". In November, at the National Mass Sports Advanced Units and Individuals, and National Sports Advanced Collectives and Individuals Awards Ceremony, two subsidiaries under Kaisa Culture & Sports Technology were awarded "2021-2024 National Model Units for Mass Sports". These accolades underscore the recognition from both national authorities and the industry for the Group's operational capabilities and for its effectiveness in delivering public benefits.





5. Kaisa Culture & Sports Technology organized more than 700 cultural and sports activities.

In 2025, leveraging its venue resource advantages, Kaisa Culture & Sports Technology Group hosted over 700 cultural and sports activities organized across it venues. The Group meticulously facilitated 248 sports events, ensured the smooth execution of over 200 performing arts events, and presented 269 theater shows and various public events. This formed a diversified event matrix centered on "elite tournaments + premium performances + mass participation", comprehensively fulfilling public demand for cultural and sports activities while stimulating the cultural and sports vitality of the city.



MILESTONES

BEARING FRUIT FROM DIVERSIFIED TRANSFORMATION AND BUILDING A NEW ENGINE FOR GROWTH

6. Kaisa Culture & Sports Technology accelerated its nationwide venue network expansion.

In 2025, Kaisa Culture & Sports Technology Group accelerated its venue network expansion, enhancing cultural and sports service networks through public-private partnerships to broaden premium resource coverage. In March, Shenzhen Guangming Yutang Cultural & Sports Center commenced operations, advancing regional cultural and sports development. In September, Hefei Zhongan Chuanggu Sports Center opened, providing fitness facilities for 50,000 technology professionals to strengthen their sense of belonging. In December, it was awarded the operational contract for Haian Fengshan Football Camp, establishing a strategic "North-South" dual-venue synergy with Haian Sports Center to elevate coordinated service efficiency across Haian's cultural and sports infrastructure.



7. Kaisa Commercial strategically expanded into the pet care industry, building an integrated ecosystem.

In 2025, Kaisa Commercial strategically expanded into the pet care industry. By integrating upstream and downstream supply chains with consumption scenarios, it built an integrated "Space + Services + Content + Brands" ecosystem. The nation's first pet-themed complex – Kaisa Pet Industry Building (Anshan) – will soon debut, pioneering "Pet + Socialization + Retail" experiences. Eleven projects nationwide implemented pet-friendly services, with locations including Guangzhou and Buji introducing the area's first pet-centric business format. Concurrently, by incubating its own pet ecosystem brands, Kaisa Commercial strengthened its industrial operations and brand influence to establish an "Industry-Fueled Commercial Synergy" industry paradigm.



BEARING FRUIT FROM DIVERSIFIED TRANSFORMATION AND BUILDING A NEW ENGINE FOR GROWTH

8. Kaisa Commercial focused efforts on digital and intelligent operations and achieved breakthroughs in live streaming.

In 2025, Kaisa Commercial comprehensively advanced its "digital-intelligent operations" strategy, deeply integrating AI technology with membership systems to establish an integrated online-to-offline local lifestyle platform. Adopting a "company-wide live streaming" model, it collaborated with platforms like Douyin and on-site tenants and executed diversified marketing initiatives including AI-powered livestreams and group-buy broadcasts. With over 100 live streaming sessions held throughout the year, partner merchants achieved an average sales uplift of approximately 18%, while total online impressions exceeded 100 million. Multiple projects consistently ranked among the most popular venues in their respective cities, thereby continuously demonstrating the Group's growing brand influence and operational strengths.



9. Kaisa Hotels cultivated differentiated offerings and achieved twin success in performance and reputation.

In 2025, Shenzhen Marriott Hotel Golden Bay revitalized its offerings with themed rooms, launching the "Firefly Wonderland" family suites and co-branded pet-friendly accommodations, all of which received an enthusiastic market response. Concurrently, Pullman Huizhou Kaisa maintained top-tier performance in its region across core operational metrics, achieving breakthroughs in its wedding banquet segment and co-branded food and beverage formats with impressive per-square-meter performance. Both hotels garnered authoritative awards from leading platforms including Ctrip, Meituan, Fliggy, and Douyin throughout the year, earning widespread market recognition and achieving dual success in both operational performance and market reputation.



QUALITY LIVING





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.

CHAIRMAN'S STATEMENT

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.

CHAIRMAN'S STATEMENT

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.

CHAIRMAN'S STATEMENT

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



QUALITY LIVING



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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 a 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 a 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 are set out in this 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.

MANAGEMENT DISCUSSION AND ANALYSIS

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2025, the combined statement of financial position of the affiliated companies (as defined in Rule 13.11(2)(A) of the Listing Rules) that the Group had provided financial assistance is set out below:

	Combined financial position RMB'000
Non-current assets	10,953,673
Current assets	249,054,784
Current liabilities	(218,008,109)
Non-current liabilities	(30,415,372)
Net assets	11,584,976
Share capital	8,334,956
Reserves	3,250,020
Total equity	11,584,976

As at 31 December 2025, the Group's attributable interests in these affiliated companies amounted to RMB3,680,471.

The combined statement of financial position of the affiliated companies has been prepared by combining the statements of financial position of those companies and has been adjusted to conform to the Group's principal accounting policies.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties which are not currently known to the Group or which may not be material now but could turn out to be material in the future.

Risks pertaining to the property market in the PRC

The Group's business and revenue growth is dependent on the economic conditions in the PRC, particularly the performance of the PRC residential property market in the cities in which the Group develops its property development projects, and therefore any potential decline in demand for properties, property sales or property prices in the PRC, particularly in the cities where the Group has operations, could have a material adverse effect on its business, results of operations and financial condition.

Operational Risks

The Group's operations are subject to a number of risk factors distinctive to the property related businesses. Shortages of materials, equipment and skilled labour, labour disputes, default on the part of its buyers, contractors and strategic business partners, natural catastrophes, adverse weather conditions, inadequacies or failures of internal processes or other external factors may have various levels of negative impact on the results of the Group's operations. Additionally, accidents may happen despite systems and policies set up for their prevention, which may lead to the Group's financial loss, litigation, or damage in reputation.

Further, property development is capital intensive in nature. The Group has financed its property development projects primarily through proceeds from sales of properties and bank borrowings. It may also access the capital markets to raise further financing. Its ability to obtain external financing in the future is subject to a variety of uncertainties, including the condition of the international and domestic financial markets and financing availability and general economic conditions in the PRC. If the Group fails to secure adequate financing or renew its existing loans prior to their expiry as a result of these governmental actions and policy initiatives, there may be a material adverse effect on the business, results of operations and financial condition of the Group.

Legal Risk

The Company underwent a holistic offshore restructuring exercise and therefore may be subject to legal actions, disputes, disciplinary actions and regulatory investigations, which may disrupt or otherwise negatively affect the operations, financial conditions or reputation of the Group.

Financial Risk

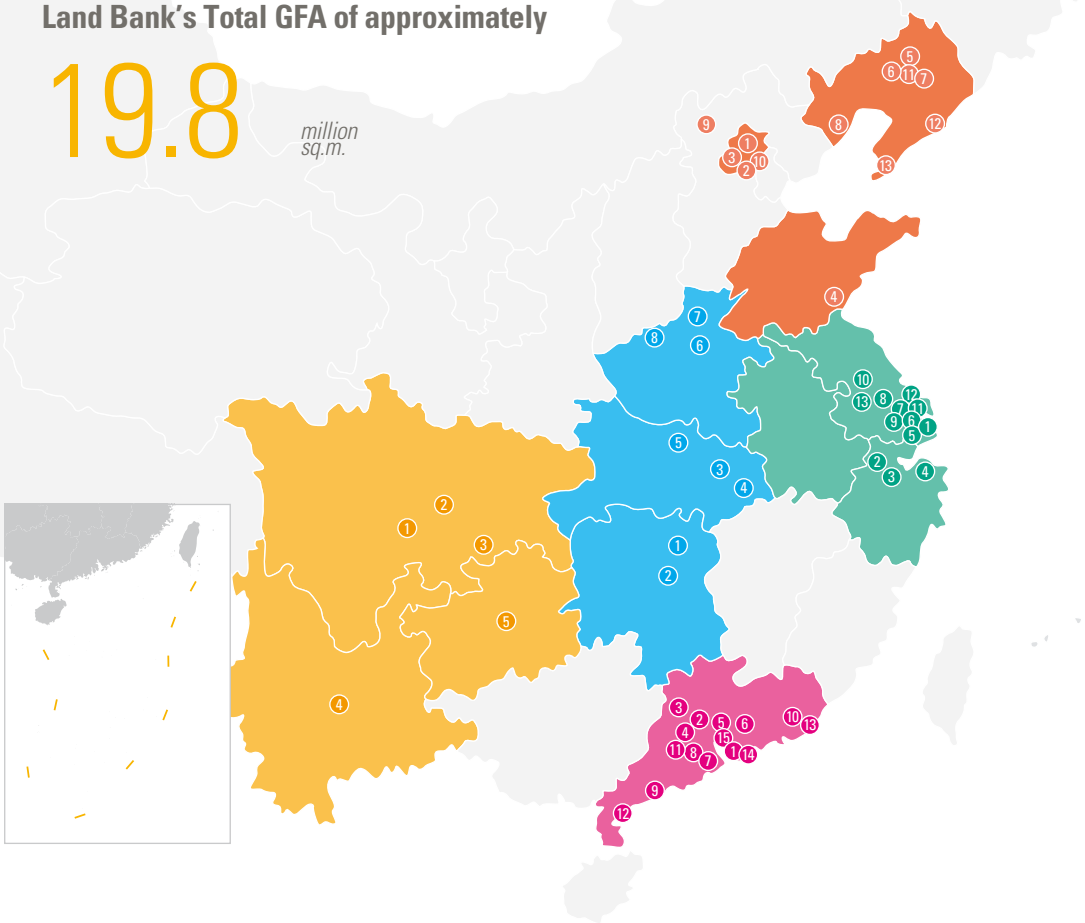
The financial risk management of the Group is set out in note 50 to the consolidated financial statements of the Company.

PROJECT PORTFOLIO — SUMMARY

We have accumulated substantial experience in developing 211 projects. The map below shows the geographical coverage of our property development projects as at 31 December 2025.

Land Bank's Total GFA of approximately

19.8 *million sq.m.*



63.9% **Greater Bay Area**

1 Shenzhen
2 Guangzhou
3 Qingyuan
4 Foshan
5 Dongguan
6 Huizhou
7 Zhuhai
8 Zhongshan
9 Yangjiang
10 Jieyang
11 Jiangmen
12 Zhanjiang
13 Shantou
14 Hong Kong
15 Sanya

1.6% **Yangtze River Delta**

1 Shanghai
2 Hangzhou
3 Shaoxing
4 Ningbo
5 Jiaxing
6 Suzhou
7 Zhangjiagang
8 Nanjing
9 Wuxi
10 Xuzhou
11 Jiangyin
12 Taizhou
13 Hefei

12.1% **Central China**

1 Changsha
2 Hengyang
3 Wuhan
4 Ezhou
5 Xiaogan
6 Xinzheng
7 Xinxiang
8 Luoyang

10% **Western China**

1 Chengdu
2 Nanchong
3 Chongqing
4 Kunming
5 Guiyang

12.4% **Pan-Bohai Bay Rim**

1 Beijing
2 Bazhou
3 Gu'an
4 Qingdao
5 Shenyang
6 Anshan
7 Benxi
8 Huludao
9 Zhangjiakou
10 Langfang
11 Liaoyang
12 Dandong
13 Dalian

PROJECT PORTFOLIO — SUMMARY

PROJECT PORTFOLIO – AS AT 31 DECEMBER 2025

No.	Project	Address	Location	Type[1]
The Greater Bay Area[6]				
1	Shenzhen Woodland Height	Junction of Shenhui Road and Lilang Road, Buji Town, Longgang District	Shenzhen	Residential
2	Shenzhen Mocha Town	Busha Road, Longgang District	Shenzhen	Residential
3	Shenzhen Kaisa Center[2]	East of Shangbu Nan Road and North of Nanyuan Road, Futian District	Shenzhen	Residential
4	Shenzhen Lake View Place	Junction of Xincheng Road and Pingxi Road, Longgang District	Shenzhen	Residential
5	Shenzhen Xiangrui Garden	North of Beihuan Highway, Nanshan District	Shenzhen	Residential
6	Shenzhen Jincui Garden	Cuizhu Road, Luohu District	Shenzhen	Residential
7	Shenzhen Shangpin Garden	Bantian Community, Bantian Street, Longgang District	Shenzhen	Residential
8	Shenzhen Metro City[2]	Buji Station, Shenhui Road, Nanmendun, Buji Town, Longgang District	Shenzhen	Residential
9	Shenzhen Kaisa City Plaza	Banxuegang Avenue, Longgang District	Shenzhen	Residential
10	Shenzhen Kaisa Metropolitan Homeland[2]	Mumianwan Station, Longgang Avenue, Buji, Longgang District	Shenzhen	Residential
11	Shenzhen Dapeng Kaisa Peninsula Resort	Yingbin Avenue, Dapeng New District	Shenzhen	Commercial
12	Shenzhen Kaisa Yuefeng Garden	Bulong Road, Bantian, Longgang District	Shenzhen	Residential
13	Shenzhen Yantian Kaisa City Plaza	Mingzhu Avenue, Yantian District	Shenzhen	Residential
14	Shenzhen Golden Bay International Park[7]	Xiasha Community, Dapeng Street, Dapeng New District	Shenzhen	Commercial
15	Shenzhen Marriott Hotel Golden Bay	No.8 Jinsha Road, Xiasha Community, Dapeng Street, Dapeng New District	Shenzhen	Commercial
16	Shenzhen Kaisa Qianhai Plaza	Junction of Yueliangwan Avenue and Mianshan Road, Nanshan District	Shenzhen	Residential
17	Shenzhen Pinghu Kaisa Plaza	Junction of Shouzhen Street and Pinghu Avenue, Pinghu Street, Longgang District	Shenzhen	Residential
18	Shenzhen Kaisa Future City	Junction of Ruyi Road and Dayun Road, Longcheng Street, Longgang District	Shenzhen	Residential
19	Shenzhen Nan'ao Project	Shuitousha Beach, Nan'ao Street, Dapeng New District	Shenzhen	Commercial
20	Shenzhen Kaisa Dongmen New World[2]	Dongmen Street, Luohu District	Shenzhen	Residential & Commercial
21	Shenzhen Kaisa E Cube	Junction of Huanguan Nan Road and Guantian Road, Guanlan Street, Longhua District	Shenzhen	Residential & Commercial
22	Shenzhen Marine Mangrove Bay[7]	Intersection of Honghua Road and Xiangzhang Road, Futian District	Shenzhen	Residential
23	Shenzhen The Kaisa Park	Junction of Jiuwei Road and Huangmabu Road, Bao'an District	Shenzhen	Residential
24	Shenzhen Town Centre	Junction of Jianhui Road and Zhicheng Road, Longhua District	Shenzhen	Residential & Commercial
25	Shenzhen The Corniche (Phase I of Futian Dongshan Project)	No.8008 Binhe Avenue, Futian District	Shenzhen	Residential
26	Shenzhen Kaisa Metropolis Plaza	Buji Street, Longgang District	Shenzhen	Residential & Commercial
27	Shenzhen Kaisa Cloud	Guangming Avenue, Guangming District	Shenzhen	Residential & Commercial

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-8	160,514	580,135	580,135	–	–	100%
1-7	185,724	735,299	735,299	–	–	100%
–	5,966	98,241	98,241	–	–	100%
1-5	182,064	388,626	388,626	–	–	100%
–	57,984	143,796	143,796	–	–	100%
–	9,066	105,830	105,830	–	–	100%
–	45,829	231,572	231,572	–	–	100%
1-4	5,241	124,479	124,479	–	–	100%
1-4	242,172	1,755,673	1,541,065	214,608	–	100%
1-4	19,393	138,892	138,892	–	–	100%
1-2	48,256	186,466	186,466	–	–	100%
1-2	47,890	165,455	165,455	–	–	100%
1-3	230,315	1,080,216	880,858	199,358	–	100%
1-4	869,838	558,718	204,771	142,305	158,729	–
1	34,449	77,834	77,834	–	–	100%
1-2	49,582	295,941	295,941	–	–	51%
1-3	118,488	666,848	666,848	–	–	100%
1-2	48,773	328,773	328,773		–	100%
1	25,966	51,930	–	51,930	–	87%
1	5,992	50,556	50,556	–	–	100%
1	34,129	160,970	160,970	–	–	51%
1	9,467	40,321	40,321	–	–	1%
1	35,239	150,820	150,820	–	–	40%
1	9,321	46,176	46,176	–	–	100%
1	7,590	50,796	50,796	–	–	46%
1	6,033	68,686	68,686	–	–	100%
1	28,841	138,820	96,150	42,670	–	54%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
28	Shenzhen Luohu Sanshun Project	Dongxiao Street, Luohu District	Shenzhen	Industrial
29	Shenzhen Kaisa Shenwei	North of Shahe Street, intersection of Qiaofa Road and Qiaoshen Road, Nanshan District	Shenzhen	Commercial
30	Shenzhen Nanmendun Project (P1)[3]	North side of the interchange of Longgang Avenue and Tiedong Road, Buji Street, Longgang District	Shenzhen	Residential
31	Shenzhen Kaisa Levana Park	Bantian Street, Longgang District	Shenzhen	Residential
32	Shenzhen Kaisa Skyline Residence (Hengling Old Village Project)[3]	Intersection of Minfeng Road and Minrong Road, Longhua Street	Shenzhen	Residential & Commercial
33	Shenzhen Fengming Riverside	Intersection of Jiangangshan Avenue and Wolong 4th Road, Fuhua Community, Xixiang Street, Bao'an District, Shenzhen	Shenzhen	Residential & Commercial
34	Shenzhen Dongjiaotou Project[7]	Northeast corner of the junction of Wanghai Road and Houhaibin Road, Nanshan District, Shenzhen	Shenzhen	Residential & Commercial
35	Guangzhou Kaisa Plaza[2]	No.191 Tiyu West Road, Tianhe District	Guangzhou	Commercial
36	Guangzhou Monarch Residence	No.99 Jiangnan Avenue Central, Haizhu District	Guangzhou	Residential
37	Guangzhou One Kaisa Palace	No.505 Huangpu Avenue, Financial Center, Tianhe District	Guangzhou	Residential
38	Guangzhou Kaisa Sky Villa	Tongbao Road, Guangzhou Avenue North, Baiyun District	Guangzhou	Residential
39	Guangzhou Kaisa Honor Mansion	Lot No.20, Meihua Garden, Shatai Road, Baiyun District	Guangzhou	Residential
40	Guangzhou Kaisa City Plaza	Lot No.49, Nangang, Yunpu Industrial Zone, Huangpu District	Guangzhou	Residential
41	Guangzhou Kaisa Future City	No.3889 Huangpu Avenue East, Huangpu District	Guangzhou	Commercial
42	Guangzhou Kaisa Center	East of Beihao Yong, Northwest to the Luoxi Bridge, Haizhu District	Guangzhou	Commercial
43	Guangzhou Kaisa Baiyun City Plaza	West of Baiyun New Town, South of Huangshi West Road, and East of Shicha Road, Baiyun District	Guangzhou	Residential
44	Guangzhou Kaisa Riverview Mansion	Lingshan Island, Mingzhu Bay, Nansha Free Trade Zone	Guangzhou	Residential
45	Guangzhou Jiaze Garden	Huangniukan, Wuyi Village, Licheng Street, Zengcheng District	Guangzhou	Residential
46	Guangzhou Kaisa Turquoise Mansion[7]	Jiuru Village, Ningxi Street, Zengcheng District	Guangzhou	Residential
47	Guangzhou Kaisa Phoenix Mansion	East of Huangge West Road, Huangge Town, Nansha District	Guangzhou	Residential & Commercial
48	Guangzhou Xiajing Village Project[3]	West of Guanghe Highway, East of Zhonghua Road, middle of Zhongxin Town, Zengcheng District	Guangzhou	Residential & Commercial
49	Guangzhou Shixi Village Project[3]	Shixi Village, Haizhu District	Guangzhou	Residential & Commercial
50	Qingyuan Kaisa City Plaza	South of Guang Qing Avenue, Longtang Town, Qingcheng District	Qingyuan	Residential
51	Foshan Shunde Kaisa Golden World	West of Waihuan Road, Ronggui Town, Shunde District	Foshan	Residential
52	Foshan Kaisa Metro City	No.169 Guangfo Road, Huangqi Town, Nanhai District	Foshan	Commercial
53	Foshan Kaisa Yue Metropolis	97 Zhenbei Road, Yanbu Avenue, Dali Town, Nanhai District	Foshan	Commercial
54	Foshan Kaisa Mansion	South of Kuiqi West Road, West of Zhenzhong Road, Shiwan Sub-district, Chancheng District	Foshan	Residential
55	Foshan Kaisa Fantasia Guangya Court	North of Xiaping Road, East of Foshan 1st Ring Road, Guicheng Street, Nanhai District	Foshan	Residential & Commercial

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1	5,427	33,440	–	33,440	–	51%
1	7,241	58,400	–	58,400	–	22%
1	34,422	250,140	–	–	250,140	100%
1	29,500	226,256	48,411	177,845	–	100%
1	24,781	100,700		–	100,700	90%
1	21,051	67,360	67,360	–		5%
1-2	44,145	345,154	–	207,205	137,949	<1%
1-9	14,192	233,322	233,322	–	–	100%
–	7,707	56,666	56,666	–	–	94%
1	15,178	86,138	86,138	–	–	95%
1-2	65,627	226,946	226,946	–	–	94%
–	19,671	80,854	80,854	–	–	94%
1-4	190,742	776,317	776,317	–	–	99%
1-3	305,965	366,266	366,266	–	–	78%
1-3	52,176	328,459	–	48,998	279,461	39%
1-4	158,071	543,007	–	82,859	460,148	39%
1-2	47,626	94,960	94,960	–	–	94%
–	22,215	68,704	68,704	–	–	100%
1-3	113,300	351,200	158,000	88,100	105,100	–
1-2	102,392	336,709	193,518	143,191	–	55%
1-3	243,200	393,700	–	–	393,700	79%
1-4	1,013,800	945,618	–	–	945,618	55%
1-5	343,749	1,191,258	343,012	54,584	793,662	100%
1-9	197,584	499,112	499,112	–	–	94%
1	14,387	71,934	–	71,934	–	94%
1	15,271	61,082	61,082	–	–	100%
1	31,017	122,933	122,933	–	–	90%
1	62,406	220,699	220,699	–	–	51%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
56	Dongguan Zhongyang Haomen	Longsheng Road, Xincheng District, Shilong Town	Dongguan	Residential
57	Dongguan Dongjiang Haomen	South of Dongjiang Road, Yangwu Village and Qishi Village, Qishi Town	Dongguan	Residential
58	Dongguan Shui'an Haomen	Fengshen Avenue, Fenggang Town	Dongguan	Residential
59	Dongguan Dijingwan	Jinshawan Square, Xincheng District, Shilong Town	Dongguan	Residential
60	Dongguan Le Grand Bleu	Xinwei Village Group, Qisha Village, Shatian Town	Dongguan	Residential
61	Dongguan Oasis Town	Junction of Huancheng Road and Green Road, Xiping Community, Nancheng District	Dongguan	Residential
62	Dongguan Yulongshan Garden	Jinzhou Community, Humen Town	Dongguan	Residential
63	Dongguan Shilong Project[3]	Junction of Jiangnan Middle Road and Xihu No. 1 Road, Xihu District, Shilong Town	Dongguan	Residential
64	Dongguan Riverside Woods Palace[3]	Junction of Dongshen Road and Bihu Avenue, Fenggang Town	Dongguan	Residential
65	Dongguan Riverside Hillview Palace[3]	Junction of Dongshen Road and Bihu Avenue, Fenggang Town	Dongguan	Residential
66	Dongguan Kaisa Glamourous Riverscape Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
67	Dongguan Kaisa Yango The Rhythm	Dingshan Community, Houjie Town	Dongguan	Residential
68	Dongguan Kaisa Enchanting Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
69	Dongguan Kaisa Glossy Riverscape Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
70	Dongguan Kaisa Prosperous Villa	Douchi Island, Zhongtang Town	Dongguan	Residential & Commercial
71	Huizhou Kaisa Mansion No.1	Gutang'ao, Miaozaikeng	Huizhou	Residential
72	Huizhou Kaisa Center	No. 18 Sub-district, Jiangbei, Huicheng District	Huizhou	Commercial
73	Huizhou Yuanzhou Project	Tanjiao Section, Liangwu Gaotou Village, Yuanzhou Town, Boluo County	Huizhou	Residential
74	Huizhou Kaisa Riverbank New Age	Jiangnan Section, Cui Mei countryside Committee, Hengkeng, Luoyang Town, Boluo County	Huizhou	Residential
75	Huizhou Tianxin Village (Huizhou Riverbank New Town (P18))	Jiangnan Section, Hengkeng Village Committee and Cuimei Garden Village Committee, Luoyang Town	Huizhou	Residential
76	Huizhou Kaisa Mountain Bay	Huangbujiao, Lianfeng Village, Renshan Town, Huidong County	Huizhou	Residential
77	Huizhou Kaisa Times Park	Junction of Zhongkai Avenue and Jinbang Road, Huicheng District	Huizhou	Residential
78	Huizhou Kaisa River Yard	Jiangnanxincheng, Luoyang Town, Boluo County	Huizhou	Residential
79	Huizhou Longmen Kaisa Hot Spring Residence	Laiwu Village, Longtian Town, Longmen County	Huizhou	Residential
80	Huizhou Kaisa Monarch Residence	Junction of Huifeng West Second Road and Hechang West Fifth Road, Huicheng District	Huizhou	Residential
81	Huizhou Kaisa Jade Garden	Longsu Road, Center of Longxi Town, Boluo County	Huizhou	Residential
82	Huizhou Kaisa Cloud Mansion	Shangpu Road, Longxi Street, Boluo County	Huizhou	Residential
83	Huizhou Kaisa Cloud	Junction of Dongxiang South Road and Xinglian West Road	Huizhou	Residential

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
–	82,742	377,481	377,481	–	–	100%
1	86,324	243,296	243,296	–	–	100%
1	70,734	200,386	200,386	–	–	80%
1-2	46,474	155,432	155,432	–	–	100%
1-4	239,050	555,735	555,735	–	–	100%
1-4	65,021	150,772	150,772	–	–	100%
1	33,910	79,573	79,573	–	–	100%
–	5,567	10,131	–	–	10,131	100%
–	63,325	113,986	–	–	113,986	85%
–	65,310	163,278	–	–	163,278	90%
1	38,096	97,281	97,281	–	–	51%
1	69,524	205,726	205,726	–	–	34%
1	22,451	68,102	68,102	–	–	49%
1	27,572	83,358	35,529	47,829	–	51%
1	41,837	104,295	104,295	–	–	49%
1-10	89,998	260,577	260,577	–	–	51%
1-3	70,859	722,945	722,945	–	–	99%
–	20,400	61,200	–	–	61,200	100%
1-17	1,554,878	3,787,912	2,686,376	234,721	866,815	36%
1	40,000	104,000	–	–	104,000	100%
1-3	94,310	286,121	72,919	99,366	113,835	96%
1-7	252,117	641,781	629,213	–	12,568	50%
1-4	176,724	591,020	260,147	149,063	181,810	51%
1-2	112,896	287,953	7,068	280,885	–	70%
1	22,201	71,043	71,043	–	–	41%
1	17,392	101,322	102,322	–	–	27%
1	48,179	168,627	168,627	–	–	17%
1	27,820	66,768	66,768	–	–	26%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
84	Huizhou Kaisa Times Avenue (Huicheng District Project)	Center of Ma'an Town, Huicheng District	Huizhou	Residential & Commercial
85	Huizhou Huidong Project	Renshan Town, Huidong County	Huizhou	Residential & Commercial
86	Huizhou Kaisa City Plaza	Pingnan Area, Huihuan Street, Zhongkai High-tech Zone, Huizhou	Huizhou	Residential & Commercial
87	Huizhou Kaisa The River One	South bank of Lujiangli, Huicheng District	Huizhou	Residential & Commercial
88	Zhuhai Macau Bay	Shangsha Street, Wanzai, Xiangzhou District	Zhuhai	Residential
89	Zhuhai Royal Hill	North of Huangyang Avenue, South of Wangbao Reservoir and Jintai Temple, Doumen Town, Doumen District	Zhuhai	Residential
90	Zhuhai Kaisa Monarch Residence	North of Zhufeng Avenue, Qianwu Town, Doumen District	Zhuhai	Residential
91	Zhuhai Kaisa Mansion	East of Xiewei village and South of Golden Coast Road, Golden Coast, Sanzao Town, Jinwan District	Zhuhai	Residential
92	Zhuhai Kaisa Gold Polis	Southeast of Nanda West Road, Northeast of Gangtong Second Road, Nanshui Town, Gaolangang	Zhuhai	Residential
93	Zhongshan Kaisa Royal Mansion	No. 3 Jinzhong Road, Jinzhong Village, Banfu Town	Zhongshan	Residential
94	Zhongshan Kaisa Upper Graceland	No. 1 Nanhu Road, Nanlang Town	Zhongshan	Residential
95	Zhongshan Kaisa Metro City	Junction of Xingbao Road and Yunsheng Road, Shaxi Town	Zhongshan	Residential
96	Zhongshan Kaisa Prosperous Garden	No. 68 Guangfu Avenue, Dongsheng Town	Zhongshan	Residential
97	Zhongshan The Kaisa Park[8]	In close vicinity to Changjiang Water Plant, Eastern Area	Zhongshan	Residential
98	Yangjiang Kaisa Riverside Mansion	Longtang Road, Yangdong District	Yangjiang	Residential
99	Jieyang Kaisa City Plaza	Binhai New District, Yuedong New City, Huilai County, Jieyang	Jieyang	Residential & Commercial
100	Jieyang Kaisa Future City[8]	Southwest of Xingyuan Road and Feifeng Road, Jiedong District	Jieyang	Residential & Commercial
101	Jiangmen Kaisa Yuefeng Mansion	North of Mingde 1st Road, East of Wenhua Road, Xinhui District	Jiangmen	Residential
102	Zhanjiang Kaisa The River One	Left side of Diaoshun Road Fishery Company, Chikan District, Zhanjiang City	Zhanjiang	Residential Commercial
103	Shantou Kaisa Specular Moon[8]	Zutuan D of East Coast New Town, Longhu District, Shantou City	Shantou	Residential
104	Shantou Kaisa Harmony Mansion Bay	Zutuan F of East Coast New Town, Longhu District, Shantou City	Shantou	Residential
105	Hong Kong The Concerto	No. 203 Yee Kuk Street, Sham Shui Po, Kowloon	Hong Kong	Residential
106	Kowloon Mongkok Shanghai Street/ Reclamation Street Project	Shanghai Street/Reclamation Street	Hong Kong	Residential & Commercial
107	Sanya Kaisa Haitang Mountain	Dongfeng Branch, Nantian Farm, Haitang Bay Town	Sanya	Residential

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-4	116,270	348,287	128,936	150,459	68,892	51%
–	72,710	343,700	–	–	343,700	95%
1-2	207,688	1,044,339	62,752	302,932	678,655	18%
1-6	125,002	512,846	–	110,204	402,642	51%
1-3	141,418	221,977	51,758	46,675	114,933	100%
1-4	192,710	316,037	316,037	–	–	99%
–	16,088	28,958	28,958	–	–	100%
1	21,970	73,815	73,815	–	–	100%
1	74,729	129,260	129,260	–	–	100%
1	21,061	52,579	52,579	–	–	100%
1	22,307	66,819	66,819	–	–	78%
1-2	61,873	176,471	176,471	–	–	99%
1-2	51,339	128,329	128,329			100%
1	33,333	85,131	85,131	–	–	80%
1-2	78,451	192,007	192,007	–	–	90%
1-2	159,004	461,678	378,365	83,313	–	100%
1-3	135,715	311,726	68,292	101,608	141,826	100%
1	45,937	114,842	21,980	92,862	–	26%
1	18,811	110,045	–	–	110,045	94%
1-2	54,205	300,446	138,793	161,653		1%
1	50,200	223,390	–	–	223,390	5%
1	382	3,299	3,299	–	–	75%
1	252	1,637	1,637			31%
1	36,943	59,246	59,246	–	–	62%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
The West China Region				
108	Chengdu Kaisa Monarch Residence	Erjiangsi Village, Huayang Town, Shuangliu County	Chengdu	Residential
109	Chengdu Lijing Harbour	Groups 1 and 2, Huafeng Village, Yongquan Sub-district, Wenjiang District	Chengdu	Residential
110	Chengdu Modern City	Yingchunqiao, Dongsheng Sub-district Office, Shuangliu County	Chengdu	Commercial
111	Chengdu Kaisa Mansion No.8	South Sanzhiqu Area, Dongsheng Street, Shuangliu County	Chengdu	Residential
112	Chengdu Kaisa City Plaza	Groups 1 and 2, Machang Village, Wenjia Sub-district Office, Qingyang District	Chengdu	Residential
113	Chengdu Kaisa Leading Town	Groups 6 and 7, Taiji Community, Gongping Sub-district Office, Wenjiang District	Chengdu	Residential
114	Chengdu Kaisa Joy Palace	Junction of Fengxiang Avenue and Fenghuang Avenue, Qingbaijiang District	Chengdu	Residential
115	Chengdu Kaisa Imperial Jade	No. 977, South of Fengxi Avenue, Wenjiang District	Chengdu	Residential
116	Chengdu Kaisa Tianyue Mansion	No. 64 Jinxing Road, Jinjiang District	Chengdu	Residential & Commercial
117	Chengdu Kaisa Foreshore 1	North of Shenyang Road, South of Lushan Avenue, Tianfu New District	Chengdu	Residential & Commercial
118	Chengdu Longyue No.1 Project	North of Baohe East Road, West of Fuxing North Road, Shiling Street, Longquanyi District	Chengdu	Residential
119	Chengdu Kaisa Aurora Project	Groups 6 and 11 of Erjiangsi Village, Group 2 of Helin Village, Huayang Street, Tianfu New District	Chengdu	Residential & Commercial
120	Chengdu Kaisa Harmony Mansion	Youjiadu Community, Tianfu Street, Wenjiang District	Chengdu	Residential
121	Pengzhou Kaisa Golden Metro	West of Chengde Avenue (Beixin Avenue), Mengyang Town	Chengdu	Residential
122	Nanchong Kaisa Plaza	No. 39 Zhengyang East Road, Shunqing District	Nanchong	Residential
123	Nanchong Monarch Residence	No. 308 Baituba Road, Shunqing District	Nanchong	Residential
124	Chongqing Kaisa Plaza	Longzhouwan Street, Banan District	Chongqing	Residential
125	Chongqing Kaisa Bright Harbour	Baqiao Town, Dadukou District	Chongqing	Residential
126	Chongqing Kaisa Riverside Paradise	Ertang Village, Jingkou Street, Jingkou Town, Shapingba District	Chongqing	Residential
127	Chongqing Kaisa Garden	North end of Changjiang River Bridge, Jiangjin District	Chongqing	Residential
128	Chongqing Kaisa Nature Symphony Dream	East of Ganghua Middle Road, Dadukou District	Chongqing	Residential
129	Chongqing The Kaisa Park	Biquan Street, Bishan High-tech Industrial Development Zone	Chongqing	Residential
130	Chongqing Kaisa Clouds By The River[8]	Xiyong, Shapingba District	Chongqing	Residential
131	Chongqing Kaisa Longyue No.1	Xiyong, Shapingba District	Chongqing	Residential
132	Chongqing Kaisa Jiangshan Heming	Caijia of Beibei District	Chongqing	Residential
133	Kunming Kaisa Dianchi Mansion	Intersection of Feihu Road and Haiyan Road, Chenggong District	Kunming	Residential
134	Guiyang The Kaisa Park[8]	Near Jianshan Temple, Jinqing Avenue, Qingzhen City and within boundaries of Shiguan Village, Qinglongshan Street	Guiyang	Residential & Commercial

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-3	182,666	1,041,531	1,041,531	–	–	100%
1	150,071	761,542	761,542	–	–	100%
1-2	133,269	362,420	362,420	–	–	100%
1-5	120,570	592,795	592,795	–	–	100%
1-4	112,194	460,901	460,901	–	–	100%
1-2	57,836	342,533	342,533	–	–	100%
1-2	113,411	447,537	447,537	–	–	100%
1	34,088	99,926	99,926	–	–	51%
1	3,286	32,876	32,876		–	100%
1	45,635	91,200	91,200		–	100%
1	39,588	83,578	86,386	–		56%
1	50,538	101,100	–	101,100	–	24%
1	28,912	13,290	–	–	86,737	100%
1-4	104,964	379,388	176,165	203,223	–	100%
1-2	29,541	116,634	116,634	–	–	100%
1-3	256,187	813,746	813,746	–	–	100%
1-3	119,767	384,219	384,219	–	–	100%
1-10	238,017	778,153	778,153	–	–	100%
1	56,644	132,178	73,241	58,937	–	90%
1-3	73,217	222,479	210,012		12,467	90%
1	41,724	104,311	104,311		–	90%
1-2	126,443	249,909	249,909		–	94%
1-3	116,773	218,185	99,336	46,580	72,269	1%
1	57,460	86,170		86,170	–	88%
1	62,405	93,603		93,603	–	3%
1	33,693	53,909	53,909	–	–	39%
1-3	182,989	549,165	187,865	73,578	287,722	91%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
The Pan-Bohai Bay Rim				
135	Beijing Kaisa Fantasia Xishan Palace	Intersection of Chengzi Street and Heishan Street, Mentougou District	Beijing	Residential
136	Bazhou Kaisa Peacock Mansion	West of Rose Garden Hot Spring Resort, Development District	Bazhou	Residential
137	Gu'an Kaisa Fengyuan Tianci Project	Near the Niutuo Hot Spring Peacock City, Niutuo Town	Gu'an	Residential
138	Qingdao Kaisa Lake View Place	East of Zhongjing Second Road, West of Wangsha Road and South of Baishahe, Xiazhuang Street, Chengyang District	Qingdao	Residential
139	Qingdao Kaisa Mansion	No.777 Huicheng Road, Chengyang District, Qingdao	Qingdao	Residential
140	Shenyang Kaisa Center	East of Qingnian Avenue, Shenhe District	Shenyang	Commercial
141	Shenyang Kaisa Yuefeng	Changbai South Road, Heping District	Shenyang	Residential
142	Shenyang Kaisa Shiguangdao	East of Wencong Street, North of Huiquan East Road, Hunnan District	Shenyang	Residential
143	Anshan Kaisa Monarch Residence[8]	South of Ziyou Dong Road, East of Anqian Road, Lishan District	Anshan	Residential
144	Anshan Kaisa Waterfront Mansion	North bank of Wanshui River, Lishan District	Anshan	Residential
145	Anshan Kaisa Plaza[2]	Renmin Road, Tiexi District	Anshan	Commercial
146	Benxi Kaisa Lake View Place	Binhe North Road, Mingshan District	Benxi	Residential
147	Huludao Suizhong Kaisa Dongdaihe	South of Binhai Road, Dongdaihe New District, Suizhong County	Huludao	Residential & Commercial
148	Huludao Enjoy Bay Park[8]	North of Binhai Road, south of Bohai Street, Dongdaihe New District, Suizhong County	Huludao	Residential & Commercial
149	Huailai Jingbei Kaisa Mansion	Intersection of Xinxing Road and Binhe East Street, Huailai County, Zhangjiakou City	Zhangjiakou	Residential
150	Yanjiao Wangjing Court	Intersection of Shenwei North Street South and Hanwang Road, Yanjiao, Langfang	Langfang	Residential
151	Liaoyang Kaisa Hot Spring Residence	Liuhe Village, Tanghe Town, Gongchangling District	Liaoyang	Commercial
152	Dandong Kaisa Mansion No.1	South of Huanghai Avenue, Zhenxing District	Dandong	Residential
153	Dalian Kaisa Center	No.24 Zhujin Street, Donggang Business District, Zhongshan District	Dalian	Commercial
154	Dalian Kaisa Plaza	No.271 Tianjin Street, Zhongshan District	Dalian	Commercial
155	Dalian Kaisa Mansion No. 1	Junction of Zhonggang North Road and Hugang Road, Dalian Free Trade Zone	Dalian	Residential & Commercial
156	Dalian Kaisa Yuejing	East of Shengli Road, Jinpu New District	Dalian	Residential
The Central China Region				
157	Changsha Kaisa Lake View Place	Jinping Village, Tiaoma County	Changsha	Residential
158	Changsha Kaisa Times Square	Yingpan East Road, Furong District	Changsha	Residential
159	Changsha Kaisa Plaza	Wuyi Road, Furong District	Changsha	Commercial
160	Changsha Kaisa Meixi Lake Project	Meixi Lake, Yuelu District	Changsha	Residential
161	Changsha Kaisa City Plaza	Northeast of Xiangzhang Road and Yuhua Avenue Intersection, Yuhua District	Changsha	Residential & Commercial
162	Changsha Kaisa Metropolis	Junction of Huahou Road and Xiangzhang Road, Gaotie New Town, Yuhua District	Changsha	Commercial
163	Changsha Kaisa Bright Harbour Seasons	Southwest of intersection of Shuangyang Road and Huangyuan Road, Furong District	Changsha	Residential & Commercial

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1	20,039	40,077	40,077	–	–	12%
1	36,576	75,067	75,067	–	–	100%
1	32,484	48,726	48,726	–	–	49%
1-3	229,865	296,725	296,725	–	–	99%
1	61,492	110,685	110,685	–	–	50%
1	21,423	292,331	292,331	–	–	100%
1-2	12,947	38,844	38,844	–	–	100%
1-2	130,658	261,315		95,560	165,755	1%
1-4	129,739	253,256	213,462	6,525	33,269	100%
1-3	120,591	135,385	51,532	40,431	43,422	100%
1-2	11,238	85,148	85,148	–	–	89%
1	122,200	324,480	324,480	–	–	99%
1-11	1,339,750	2,183,154	1,340,545	56,022	786,587	99%
1-5	307,292	735,476	174,239	109,306	451,931	100%
1	45,183	119,881	–	–	119,881	67%
1	52,714	79,071	–	–	79,071	17%
1-10	372,427	311,034	108,570	–	202,464	99%
1-4	133,340	331,542	331,542	–	–	99%
1-2	26,610	119,700	82,050	37,650	–	100%
–	15,955	78,454	78,454	–	–	90%
1	41,150	105,912	105,912	–	–	100%
1	24,334	85,168	85,168	–	–	100%
1-4	673,536	938,203	938,203	–	–	100%
–	21,770	108,731	108,731	–	–	30%
1	14,324	171,592	171,592	–	–	30%
1-6	253,693	892,604	892,604	–	–	99%
1-4	124,616	461,651	134,505	129,545	197,601	63%
1-2	30,105	172,072	113,168	58,904	–	32%
1	34,300	89,007	–	89,007	–	100%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
164	Hengyang Kaisa Mansion	North of Chuanshan West Road, South of Lixin Avenue, West of Cailun Avenue	Hengyang	Residential
165	Wuhan Kaisa Golden World	Junction of Baisha Road and Qingling East Road, Qingling County, Hongshan District	Wuhan	Residential
166	Wuhan Kaisa Riverside Mansions	North of Zhiyin Avenue, West of Yangcheng West Road, Hangyang District	Wuhan	Residential
167	Wuhan Kaisa Plaza	No.336 Wuluo Road, Wuchang District	Wuhan	Residential
168	Wuhan Kaisa Joy Palace	North of Jinbei 1st Road and East of Wuxin Main Line, Jinghe Street, Dongxihu District	Wuhan	Residential
169	Wuhan Kaisa New Riverside City	South of Shefa Shan Road, East of the 2nd Chuanjiangchi Road, Economic and Technology Development Area	Wuhan	Residential
170	Wuhan Kaisa Stream Jade Garden	East of Jintai Road, West of Fenghua Road and North of Guanhu Road, Xinzhou District	Wuhan	Residential
171	Ezhou Zhongliang Kaisa The One Mansion	West of Yingbin Avenue, Echeng District	Ezhou	Residential
172	Xiaogan Kaisa Airport Science and Technology City	Airport Economic Development Zone	Xiaogan	Industrial
173	Xinzheng Kaisa Yuefeng	South of Zhongxing Road, West of Wenhua Road	Xinzheng	Residential
174	Xinxiang Kaisa Yuefeng[8]	West of Hongyuan Street, North of Guihua Road, Hongqi District	Xinxiang	Residential
175	Luoyang Huayaocheng Kaisa Phoenix Riverside	Intersection of Zhongxin Road and Zhuge Street, Yibin District	Luoyang	Residential & Commercial
176	Luoyang HYC Kaisa Lake View Place	Junction of Simaguang Road and Liujingxiang, Luolong District	Luoyang	Residential
177	Luoyang Kaisa Riverside Palace	Intersection of Yibin Road and Fumin Lane, Yibin District	Luoyang	Residential
178	Luoyang Huayaocheng Kaisa Center[8]	Intersection of Guanlin Road and Longmen Avenue, Luolong District	Luoyang	Residential & Commercial
The Yangtze River Delta				
179	Shanghai Kaisa City Garden	East of Qiyuan Road, West of Xiaoxin River, South of Shupindong Road and North of Xinjian No. 1 Road, Xuhang Town, Jiading District	Shanghai	Residential
180	Shanghai Shangpin Jiayuan	East of Xiaoxin River, West of Base Boundary, South of Gengpu River and North of Xinjian No.1 Road, Xuhang Town, Jiading District	Shanghai	Residential
181	Shanghai Kaisa Future City	North of Yinggang East Road, Xiayang Street, Qingpu District	Shanghai	Residential
182	Hangzhou Jade Dragon Court	North of Zhennan Road, Zhijiang National Holiday Resort, West Lake District	Hangzhou	Residential
183	Hangzhou Kaisa Monarch Residence	North of Shitang Road and West of Donghu Road, Qiaosi Street, Yuhang District	Hangzhou	Residential
184	Hangzhou Puyu Court	Jingfeng Community, Wuchang Street, Yuhang District	Hangzhou	Residential
185	Hangzhou Fuyang Yinhu Project	Dashanjiao Village, Yinhu Street, Fuyang District	Hangzhou	Residential
186	Hangzhou Kaisa Cloud	Xianlin Street, Yuhang District	Hangzhou	Residential
187	Hangzhou Kaisa Specular Moon	Pengbu Street, Jianggan District	Hangzhou	Residential
188	Shaoxing Kaisa Honor Palace	Lanting Street, Keqiao District	Shaoxing	Residential
189	Shaoxing Kaisa Monarch Residence	Fuquan Street, Keqiao District	Shaoxing	Residential
190	Ningbo Kaisa The One Jade	Junction of Century Avenue and Min'an Road, Yinzhou District	Ningbo	Commercial
191	Ningbo Kaisa Emerald Residence (Qubi Project)	Dongjiao Street, Yinzhou District	Ningbo	Residential
192	Ningbo Harmony Mansion	South of Dannan Road, north of Planning Road 1, both sides of Baihe Road, Xiangshan County, Ningbo	Ningbo	Residential
193	Suzhou Mudu Peaceful Yard Project	West of Xinhua Road, South of Xiangyanghe Road, Mudu Town, Wuzhong District	Suzhou	Residential
194	Zhangjiagang Kaisa Phoenix Riverside	Southwest Corner of the Junction of Yingshan Road and Jingu Road, Phoenix Town	Zhangjiagang	Residential

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-2	50,054	161,595	88,237	73,358	–	51%
1-3	181,493	605,941	605,941	–	–	90%
–	40,351	156,763	156,763	–	–	99%
1	26,861	142,355	142,355	–	–	100%
1-2	128,539	257,078	257,078	–	–	100%
1	56,901	142,252	142,252	–	–	89%
1	129,191	258,382	–	258,382	–	62%
1	103,175	281,668	281,668	–	–	31%
1-3	218,814	257,629	31,722	225,907	–	27%
1-2	69,499	156,619	156,619	–	–	100%
1	23,165	81,068	81,068	–	–	100%
1-5	120,649	361,947	285,475	76,472	–	51%
1-3	90,234	225,585	225,585	–	–	51%
1	95,613	239,015	–	239,015	–	51%
1-3	238,073	879,162	326,093	–	553,069	75%
1	23,638	42,549	42,549	–	–	41%
1	44,590	80,262	80,262	–	–	41%
1	27,819	88,584	88,584	–	–	51%
–	39,376	98,041	98,041	–	–	100%
–	36,595	100,849	100,849	–	–	100%
1	74,779	207,476	207,476	–	–	100%
1	15,333	19,500	–	–	19,500	95%
1	19,175	38,350	38,350	–	–	100%
1	36,748	88,195	88,195	–	–	54%
1	61,133	46,657	46,657	–	–	99%
1	19,852	47,943	47,943	–	–	100%
1	15,086	56,285	56,285	–	–	30%
1	45,043	66,351	66,351	–	–	1%
1	26,647	68,122	68,122	–	–	26%
1	32,006	47,861	47,861	–	–	100%
1	31,666	37,999	37,999	–	–	100%

PROJECT PORTFOLIO — SUMMARY

No.	Project	Address	Location	Type[1]
195	Nanjing Kaisa City Plaza	Junction of Nanjing Foreign Language School and Taiqing Road, South of Hexi Area, Jianye District	Nanjing	Residential
196	Nanjing Kaisa Yanran Mansion	No.560 Heyan Road, Qixia District	Nanjing	Residential
197	Nanjing Kaisa Mansion	East of Vanke City, Lishui District	Nanjing	Residential
198	Nanjing Kaisa HongYang Riverside Mansion	18 Huqin Road, Lukou Avenue, Jiangning District	Nanjing	Residential
199	Nanjing Kaisa River Mansion	Intersection of Fangjiaying Road and Chenghe North Road, Gulou District Nanjing Residential	Nanjing	Residential
200	Wuxi Kaisa Landscape Garden	North of Yuexi Road, Ehu Town, Xishan District	Wuxi	Residential
201	Donggang Cooperation Projects	South of Yinxing West Road and west of Lianqun Road, Donggang Town, Xishan District	Wuxi	Residential
202	Xuzhou Fuchun Mountain Residence	West of Guangshan Park, East of Sanhuan East Road, Yunlong District	Xuzhou	Residential
203	Jiangyin Lake View Place	South of Xinhua Road, West of Dongwaihuan Road, and North of Renmin East Road	Jiangyin	Residential
204	Jiangyin Gushan Mocha Town	South of Golden Gushan Garden and West of Xingfu Avenue, Gushan Town	Jiangyin	Residential
205	Jiangyin Zhouzhuang Golden World	East of Zhouxi Dong Road, Zhouzhuang Town	Jiangyin	Residential
206	Jiangyin Changjing Lake View Waldorf	East of Xinglong Road and South of Dongshun Road, Changjing Town	Jiangyin	Residential
207	Jiangyin Tonghui Garden	North of Tonghui Road, West of Tongjiang Road, and South of Tongfu Road	Jiangyin	Residential
208	Jiangyin Fuqiao Homeland	North of Chengxi Road, West of Tongdu Road, and South of Binjiang Road	Jiangyin	Residential
209	Taizhou Kaisa Royal Mansion[8]	North of Chenzhuang Road and West of No.11 Road, Taizhou Economic Development Area	Taizhou	Residential
210	Hefei HC Kasia Future City	Southwest of junction of Jianghuai Avenue and Zhenzhu Road, Shangpai Town, Feixi	Hefei	Residential
211	Hefei Kaisa Harmony Mansion	Intersection of Yungu Road and Guizhou Road, Binhu District	Hefei	Residential
Total				

1 Residential properties include apartments, serviced apartments and townhouses, often with complementary commercial facilities, restaurants and community facilities.
2 The projects are renovation developments of once distressed assets and partially completed properties.
3 As at 31 December 2025, the Group has not obtained the land use right certificate, but has entered into land grant contracts or obtained confirmation from the relevant land and resources bureau for the above projects, including:
(i) Dongguan Shilong Project;
(ii) Dongguan Riverside Woods Palace;
(iii) Dongguan Riverside Hillview Palace;
(iv) Shenzhen Nanmendun Project;
(v) Guangzhou Xiajing Village Project;
(vi) Shenzhen Skyline Residence;
(vii) Guangzhou Shixi Project.
4 This has been prepared in accordance with our internal project plan and is subject to government approval.
5 As at 31 December 2025, the GFA of total completed properties for sale reached approximately 3,409,548 sq. m..
6 One project in Hainan included.
7 The Group has the trust income rights and has no equity relationship with the project.
8 Including
(i) Taizhou Kaisa Royal Mansion Phase 3;
(ii) Building 18, 31, 37, Anshan Kaisa Monarch Residence;
(iii) Building 6-19, Jieyang Kaisa Future City Phase 1;
(iv) Guiyang The Kaisa Park Phase 1;
(v) Building 1, 3, 4, Shantou Kaisa Specular Moon Phase 1;
(vi) No. 2, Marketing Center, Zhongshan The Kaisa Park;
(vii) Chongqing Kaisa Clouds By The River Phase 2 Batch 3;
(viii) High-rise building 1#2#3#5, Huludao Enjoy Bay Park Phase 1;
(ix) 5# Luoyang Huayaocheng Kaisa Center;
(x) Xinxiang Kaisa Yuefeng;
for which as at 31 December 2025, the Group had not yet obtained the completion record of the above-mentioned project, but had obtained the phased acceptance certificate or joint acceptance opinion.

PROJECT PORTFOLIO — SUMMARY

Project Phase	Site Area (sq. m.)	Total GFA (sq. m.)	Total GFA			Interest attributable to us
			Completed Properties (sq. m.)	Under Development (sq. m.)	Future Development (sq. m.)	
1-3	109,783	290,946	290,946	–	–	100%
1	27,376	63,050	63,050	–	–	100%
1	65,698	144,520	144,520	–	–	90%
1	73,686	103,160	100,888	2,272	–	51%
1-2	40,522	89,183	89,183	–	–	49%
1	48,697	78,195	31,457	46,738	–	49%
1	50,732	91,802		91,802	–	49%
1-2	175,735	246,029	119,885	126,144	–	50%
1-3	225,533	272,274	272,274	–	–	94%
1-4	76,465	132,849	132,849	–	–	100%
1-2	103,589	186,738	186,738		–	99%
1-2	93,275	149,763	149,763	–	–	100%
–	41,440	73,615	73,615	–	–	100%
–	35,801	134,535	134,535	–	–	100%
1-4	192,506	360,724	360,724		–	51%
1-2	111,500	206,575	206,575	–	–	49%
1	37,485	74,966		74,966	–	15%
	21,595,234	**57,225,745**	**40,885,952**	**5,906,865**	**10,448,658**	

PROJECT PORTFOLIO — SUMMARY

PROPERTIES UNDER DEVELOPMENT

The table below sets forth certain information of our property projects or project phases under development as at 31 December 2025. We have obtained land use rights certificates and construction works commencement permits for all of our properties under development.

Project	Location	Project Phase	Total GFA or Estimated Total GFA (sq. m.)	Saleable GFA or Estimated Saleable GFA (sq. m.)
Shenzhen Kaisa City Plaza	Shenzhen	3	214,608	154,567
Shenzhen Yantian Kaisa City Plaza	Shenzhen	Phase 1 2-3#	199,358	11,327
Shenzhen Golden Bay International Park[1]	Shenzhen	1, 2	142,305	87,150
Shenzhen Nan'ao Project	Shenzhen	1	51,930	–
Shenzhen Kaisa Cloud	Shenzhen	1	42,670	41,570
Shenzhen Luohu Sanshun Project	Shenzhen	1	33,440	23,029
Shenzhen Kaisa Shenwei	Shenzhen	1	58,400	56,930
Shenzhen Kaisa Levana Park	Shenzhen	1	177,845	40,684
Shenzhen Dongjiaotou Project[1]	Shenzhen	1	207,205	125,644
Guangzhou Kaisa Center	Guangzhou	1	48,998	43,181
Guangzhou Kaisa Baiyun City Plaza	Guangzhou	1	82,859	82,299
Guangzhou Kaisa Turquoise Mansion[1]	Guangzhou	2	88,100	84,800
Guangzhou Kaisa Phoenix Mansion	Guangzhou	1-2	143,191	143,191
Qingyuan Kaisa City Plaza	Qingyuan	2	54,584	54,584
Foshan Kaisa Metro City	Foshan	1	71,934	71,934
Dongguan Kaisa Glossy Riverscape Garden	Dongguan	1	35,529	35,529
Huizhou Kaisa Riverbank New Age	Huizhou	9,13	234,721	153,337
Huizhou Kaisa Mountain Bay	Huizhou	2-3	99,366	96,252
Huizhou Kaisa River Yard	Huizhou	3	149,063	113,049
Huizhou Longmen Kaisa Hot Spring Residence	Huizhou	1-2	280,885	163,102
Huizhou Kaisa Times Avenue (Huicheng District Project)	Huizhou	2-3	150,459	149,934
Huizhou Kaisa City Plaza	Huizhou	1-2	302,932	165,523
Huizhou Kaisa The River One	Huizhou	1, 5	110,204	80,355

PROJECT PORTFOLIO — SUMMARY

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Dec-17	Yes	2027 4Q	100%
Oct-21	Yes	2027 4Q	100%
Oct-18	No	2026 3Q	–
Sep-20	No	2027 4Q	87%
May-21	No	2026 4Q	54%
Apr-21	No	2027 4Q	51%
Apr-21	No	2027 4Q	22%
Jul-21	Yes	2027 4Q	100%
Jan-25	Yes	2028 3Q	1%
Feb-21	Yes	2026 4Q	39%
Sep-22	No	2026 4Q	39%
Oct-20	Yes	2027 4Q	–
Sep-20	Yes	2026 2Q	55%
Mar-21	Yes	2027 4Q	100%
Oct-19	No	2027 4Q	94%
Dec-20	Yes	2026 3Q	51%
Oct-20	Yes	2026 4Q	36%
Jan-19	Yes	2026 4Q	96%
Mar-21	No	2027 4Q	51%
Jun-19	Yes	2026 3Q	70%
Nov-20	Yes	2027 4Q	51%
Jul-21	Yes	2026 3Q	18%
Mar-21	Yes	2026 4Q	51%

PROJECT PORTFOLIO — SUMMARY

Project	Location	Project Phase	Total GFA or Estimated Total GFA (sq. m.)	Saleable GFA or Estimated Saleable GFA (sq. m.)
Zhuhai Macau Bay	Zhuhai	2	46,675	27,634
Jieyang Kaisa City Plaza	Jieyang	1-2	83,313	77,638
Jieyang Kaisa Future City	Jieyang	1, 3	101,608	91,142
Jiangmen Kaisa Yuefeng Mansion	Jiangmen	1	92,862	90,054
Shantou Kaisa Specular Moon	Shantou	1	161,653	243,701
Kowloon Mongkok Shanghai Street/Reclamation Street Project	Hong Kong	1	1,637	958
Chengdu Kaisa Aurora Project	Chengdu	1	101,100	59,331
Pengzhou Kaisa Golden Metro	Chengdu	3-4	203,223	147,048
Chongqing Kaisa Riverside Paradise	Chongqing	1	58,937	57,937
Chongqing Kaisa Clouds By The River	Chongqing	2	46,580	35,252
Chongqing Kaisa Longyue No.1	Chongqing	1	86,170	84,453
Chongqing Kaisa Jiangshan Heming	Chongqing	1	93,603	96,039
Guiyang The Kaisa Park	Guiyang	1-2	73,578	247,917
Shenyang Kaisa Shiguangdao	Shenyang	1	95,560	95,543
Anshan Kaisa Monarch Residence	Anshan	4	6,525	6,218
Anshan Kaisa Waterfront Mansion	Anshan	2	40,431	39,916
Huludao Suizhong Kaisa Dongdaihe	Huludao	4	56,022	3,141
Huludao Enjoy Bay Park	Huludao	1	172,848	145,079

PROJECT PORTFOLIO — SUMMARY

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
May-21	No	2027 1Q	100%
Dec-20	Yes	To be determined	100%
Apr-21	Yes	2027 4Q	100%
Apr-21	Yes	2027 2Q	26%
May-21	Yes	2026 3Q	1%
Jun-21	No	2026 2Q	31%
Sep-21	No	To be determined	24%
Oct-19	Yes	To be determined	100%
Jun-20	Yes	2027 4Q	90%
Jan-21	Yes	2026 2Q	1%
Jul-21	Yes	2027 4Q	88%
Oct-21	Yes	To be determined	3%
Nov-20	Yes	2027 4Q	91%
Nov-21	No	2027 4Q	1%
Sep-19	Yes	2026 4Q	100%
Jul-20	Yes	2026 4Q	100%
Sep-14	Yes	2026 3Q	99%
Sep-19	Yes	2026 4Q	100%

PROJECT PORTFOLIO — SUMMARY

Project	Location	Project Phase	Total GFA or Estimated Total GFA (sq. m.)	Saleable GFA or Estimated Saleable GFA (sq. m.)
Dalian Kaisa Center	Dalian	2	37,650	37,650
Changsha Kaisa City Plaza	Changsha	3	129,545	127,570
Changsha Kaisa Metropolis	Changsha	2	58,904	58,546
Changsha Kaisa Bright Harbour Seasons	Changsha	1	89,007	88,276
Hengyang Kaisa Mansion	Hengyang	2	73,358	72,481
Wuhan Kaisa Stream Jade Garden	Wuhan	1	258,382	142,252
Xiaogan Kaisa Airport Science and Technology City	Xiaogan	2-3	225,907	96,767
Luoyang Huayaocheng Kaisa Phoenix Riverside	Luoyang	5	76,472	76,055
Luoyang Kaisa Riverside Palace	Luoyang	1	239,015	227,756
Nanjing Kaisa HongYang Riverside Mansion	Nanjing	1	2,272	655
Wuxi Kaisa Landscape Garden	Wuxi	1	46,738	44,660
Wuxi Xiangyi Xiyue (Donggang Cooperation Projects)	Wuxi	1	91,802	89,301
Xuzhou Fuchun Mountain Residence	Xuzhou	2	126,144	86,309
Total			**5,958,106**	**4,675,249**

Note:

1. The Group has the trust income rights and has no equity relationship with the project.

PROJECT PORTFOLIO — SUMMARY

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Aug-18	Yes	To be determined	100%
Apr-21	Yes	2026 4Q	63%
Sep-19	No	2026 4Q	32%
Dec-20	Yes	2027 4Q	100%
May-19	Yes	2027 4Q	51%
Dec-19	Yes	To be determined	62%
Jul-20	Yes	To be determined	27%
Oct-21	Yes	2028 2Q	51%
Mar-21	Yes	2028 2Q	51%
Oct-19	Yes	2026 4Q	51%
Apr-21	Yes	2026 2Q	49%
Sep-21	No	To be determined	49%
Mar-19	No	2026 4Q	50%

PROJECT PORTFOLIO — SUMMARY

PROPERTIES HELD FOR FUTURE DEVELOPMENT

The table below sets forth certain information of our property projects held for future development as at 31 December 2025.

Project	Location	Project Phase	Estimated Total GFA (sq. m.)	Estimated Completion Time[1]
Shenzhen Golden Bay International Park	Shenzhen	3-4	158,729	To be determined
Shenzhen Nanmendun Project (P1)	Shenzhen	1	250,140	To be determined
Shenzhen Kaisa Skyline Residence (Hengling Old Village Project)	Shenzhen	1-2	100,700	To be determined
Shenzhen Dongjiaotou Project	Shenzhen	2	137,949	2032
Guangzhou Kaisa Center	Guangzhou	1-3	279,461	To be determined
Guangzhou Kaisa Baiyun City Plaza	Guangzhou	2-3	460,148	2028
Guangzhou Kaisa Turquoise Mansion	Guangzhou	3	105,100	To be determined
Guangzhou Xiajing Village Project (Exited)	Guangzhou	1-3	393,700	To be determined
Guangzhou Shixi Village Project	Guangzhou	1-4	945,618	To be determined
Qingyuan Kaisa City Plaza	Qingyuan	2-4	793,662	To be determined
Dongguan Shilong Project	Dongguan	2-5	10,131	To be determined
Dongguan Riverside Woods Palace	Dongguan	1	113,986	To be determined
Dongguan Riverside Hillview Palace	Dongguan	–	163,278	To be determined
Huizhou Yuanzhou Project	Huizhou	–	61,200	To be determined
Huizhou Kaisa Riverbank New Age	Huizhou	8, 15-17	852,776	To be determined
Huizhou Tianxin Village (Huizhou Riverbank New Town (P18))	Huizhou	–	104,000	To be determined
Huizhou Kaisa Mountain Bay	Huizhou	3	113,835	To be determined
Huizhou Kaisa Times Park	Huizhou	5-7	12,568	2028
Huizhou Kaisa River Yard	Huizhou	4	181,810	To be determined
Huizhou Kaisa Times Avenue (Huicheng District Project)	Huizhou	–	68,892	To be determined
Huizhou Huidong Project	Huizhou	2	343,700	To be determined
Huizhou Kaisa City Plaza	Huizhou	2	390,155	To be determined
Huizhou Kaisa The River One	Huizhou	3	402,642	To be determined
Zhuhai Macau Bay	Zhuhai	2	114,933	To be determined
Jieyang Kaisa Future City	Jieyang	1	141,826	To be determined
Zhanjiang Kaisa The River One	Zhanjiang	1	110,045	To be determined
Shantou Kaisa Harmony Mansion Bay	Shantou	1	223,390	To be determined
Chengdu Kaisa Harmony Mansion	Chengdu	3	86,737	To be determined
Chongqing Kaisa Garden	Chongqing	3	12,467	To be determined
Chongqing Kaisa Clouds By The River	Chongqing	3	72,269	To be determined

PROJECT PORTFOLIO — SUMMARY

Project	Location	Project Phase	Estimated Total GFA (sq. m.)	Estimated Completion Time[1]
Guiyang The Kaisa Park	Guiyang	1-2	287,722	To be determined
Shenyang Kaisa Shiguangdao	Shenyang	3	165,755	To be determined
Anshan Kaisa Monarch Residence	Anshan	3	33,269	To be determined
Anshan Kaisa Waterfront Mansion	Anshan	4,7,10,11	43,422	To be determined
Huludao Suizhong Kaisa Dongdaihe	Huludao	3-5	786,587	To be determined
Huludao Enjoy Bay Park	Huludao	1	451,931	To be determined
Huailai Jingbei Kaisa Mansion	Zhangjiakou	1	119,881	To be determined
Yanjiao Wangjing Court	Langfang	1-10	79,071	To be determined
Liaoyang Kaisa Hot Spring Residence	Liaoyang	4	202,464	To be determined
Changsha Kaisa City Plaza	Changsha	2-3	197,601	2030
Luoyang Huayaocheng Kaisa Center	Luoyang	1	553,069	2028
Hangzhou Fuyang Yinhu Project	Hangzhou	1	19,500	To be determined
Total			**10,146,119**	

Note:

1. Projects with multiple phases, the estimated time for completing the first phase of the project.

PROJECT PORTFOLIO — SUMMARY

SHENZHEN

SHENZHEN KAISA JIAYUAN (深圳佳兆業佳園)

Kaisa Jiayuan Project is located in the central area of Futian, Shenzhen, which is the last piece of land for residential use available for development in the core location of Futian. The project comprises north-south four-bedroom apartments and presidential large flats with a GFA of approximately 128-305 m^2. Within 1 kilometer of the project, there are over 40 top public facilities of the city. Surrounded by two border crossings, seven metro lines, two east-west trunk roads (Shennan Avenue and Binhe Avenue) and two highway entrances, it is accessible to the core areas of Shenzhen within 20 minutes; and to enjoy the top fashion and leisure facilities of the topmost over 2 million m^2 within five minutes.



SHENZHEN FENGMING RIVERSIDE (深圳鳳鳴水岸)

Shenzhen Fengming Riverside is located in the traditional luxury residential area of Jiangangshan, Bao'an, Shenzhen. The project cooperated with a central state-owned enterprise to create an ecological low-density and villa-quality aesthetic product. The project boasts an excellent location of "harboring Qianhai, living in the mid-levels", with the world-class financial center of Qianhai in front, backed by the rare natural environment of Jiangang Mid-Levels. The project has educational facilities affiliated with the Southern University of Science and Technology and is a benchmark for comfortable living in a pure urban spire circle.



PROJECT PORTFOLIO — SUMMARY

SHENZHEN LEVANA PARK OF KAISA (深圳佳兆業雲望府)

Located in Bantian Area, Longgang District, Shenzhen, Shenzhen Levana Park of Kaisa is developed in two phases and positioned as a million technology city, which is another million technology life new city after Bantian City Plaza. The project connects two parks with a mountain and a river, enjoying modern nature and leisure. It mainly comprises quality three-bedrooms with a GFA of approximately 95 m^2.



SHENZHEN KAISA CLOUD (深圳雲峰匯)

Kaisa Cloud commands a strategic position in the central part of Guangming Science City. The project aggregates municipal-level cultural and sports facilities around it, including Shenzhen Science Museum (New Museum), Shenzhen Book City Guangming Branch, and Shenzhen International Art Museum. Nestled within a core commercial zone with mature living amenities, it offers citywide accessibility through Line 6 subway and two major thoroughfares – Guangming Avenue and Guangming Street. The project also enjoys premium educational resources such as Guangming Middle School and Guangming Liyuan School affiliated with Southern University of Science and Technology. Adhering to Kaisa Group's consistent high-quality development philosophy, the project creates an urban central complex integrating residential, commercial, and office spaces, and provides residents with an ideal living environment that combines daily necessities, leisure, and entertainment in one cohesive space.



PROJECT PORTFOLIO — SUMMARY

SHENZHEN DONGJIAOTOU (深圳東角頭)

The Dongjiaotou Project is located at the northeast corner of the intersection between Houhai Avenue and Wanghai Road, and in the core area of Shenzhen Bay within the Greater Bay Area. As the last piece of land for residential use in Shenzhen Bay's mature luxury residential zone, it is planned to be developed into exclusive luxury spacious flats with a GFA of approximately 200-500 m^2. The surrounding area hosts high-end commercial clusters including the K11 Asia-Pacific Flagship Store and MixC Shenzhen Bay, along with premium clubs such as the Shenzhen Bay Yacht Club. The project vicinity already has operational access to Line 2's Dongjiaotou Station, with the planned construction of Line 13's Opera House Station underway. Through the Taiziwan cruise terminal, residents can enjoy the Greater Bay Area's 1-hour living circle, while Shenzhen Bay Port provides 15-minute access to Hong Kong, with direct connectivity to global destinations via Shenzhen and Hong Kong international airports. The project commands a 15-kilometer coastal promenade and enjoys unique, unobstructed sea views of Shenzhen Bay. Adjacent to the future Shenzhen Opera House slated to become a world-class art palace, it stands as the foremost viewing platform for both marine landscapes and cultural-artistic living in the Shenzhen Bay area. Phase I of the Dongjiatou Project launched pre-sales on 28 December 2025, initially offering two residential buildings. The project achieved strong sales performance upon its launch.



GUANGZHOU

GUANGZHOU JIAZE GARDEN (廣州佳澤園)

Located in the CBD of Lihu New City, the core area of Zengcheng in Guangzhou East, Jiaze Garden is the only high-quality residential complex built above a metro station in the heart of Licheng. The project is about 300 meters away from Zhonggang Station of Metro Line 21, with 1 stop to Wanda Plaza, 3 stops to Huangpu and 6 stops to Tianhe. It is located in the famous school district of "Zhixin Primary and Secondary Schools" and surrounded by excellent educational resources such as Zengcheng Secondary School and Lijing Secondary School. The project is diagonally opposite Asia's largest maternity and children's hospital at a distance of about 150 meters. The project is built on the hillside, and is planned to build 4 high-rise buildings with a total of 404 units, all of which are designed with two staircases serving four units, and all units face south. It enjoys a rare building spacing of over 70 meters, a greening rate of 30%, and an ecological, low-density and comfortable living environment. The project is for sale with a saleable GFA of about 96-116 m^2 for three to four bedrooms units.



PROJECT PORTFOLIO — SUMMARY

GUANGZHOU KAISA BAIYUN CITY PLAZA (廣州佳兆業白雲城市廣場)

Guangzhou Kaisa Baiyun City Plaza is located next to the Baiyun TOD in which the government has invested RMB44 billion to build. It is a 1.7 million m² mixed-use complex that brings together quality residential, commercial complexes, Grade A offices, themed business hotels, quality education and culture and nature. The project is erected on a station of two metro lines, including Xiaoping Station of metro line 8 which has been opened and Nanhang Xincun Station of metro line 12 which is still under construction. The project is planned to have 6 schools, including 3 kindergartens, 2 primary schools and 1 secondary school to offer a 15-year education system in the community. It also engaged an international design team to build a commercial complex of approximately 150,000 m². The project strives to deliver quality living, easy commute for work, entertainment, shopping and relaxing leisure activities, thereby creating a new lifestyle of multi-dimensional city life in Guangzhou.



GUANGZHOU PHOENIX MANSION (廣州佳兆業鳳鳴山)

Guangzhou Phoenix Mansion is located in the Huangge District of Nansha, Guangzhou. It is connected to the intelligent core of Qingsheng in the north, the international financial island of Pearl Bay in the south, and the administrative service center of Jiaomenhe in the east, and is situated in the golden triangle of the three major functional centers of Nansha, gathering the city's prosperity and offering a liveable environment. The project is adjacent to the Dashanna Forest Park (大山鎖森林公園), with "double waterscape resources". The project comes with a 78,000 m² commercial complex, where food, drink and entertainment can be reached just downstairs. With nearly 100 meters of spacing between buildings, good lighting and ventilation; compared with surrounding properties, it has a higher efficiency rate and one more room for the same size. The project includes residential buildings, villas, shopping malls and apartments.



PROJECT PORTFOLIO — SUMMARY

HUIZHOU

HUIZHOU KAISA RIVERBANK NEW AGE (惠州佳兆業東江新城)

Located on the south bank of Dongjiang River in Boluo, Huizhou, with famous schools in the proximity, it offers top-notch education for all ages from 3 to 18 years old. Embraced by the Riverside Ecological Park of 800,000 m^2, the project has the largest commercial volume in Boluo and introduced merchants including China Resources Vanguard, and Century Union Supermarket, one of the top 100 Chinese chain stores, Xinhua Bookstore, and Only International Education as well as a number of municipal support facilities of the government.



FOSHAN

FOSHAN GUANGYA COURT (佛山廣雅院)

The Guangya Court Project is positioned at the central location between Foshan's Qiandeng Lake CBD and Yingyue Lake, offering immediate access to comprehensive billion-yuan top-tier amenities. The project consists of 10 high-rise towers arranged in a semi-enclosed formation, currently marketing units with a GFA of approximately 83-126 m^2 configured as 3-4 bedroom residences. The entire development is delivered as completed real-scene structures, with all units south-facing and designed with highly expandable spaces. It features triple-layer internal and external landscape gardens, and whole-age community amenities such as starlight-themed swimming facilities and children's adventure parks. The complex also contains 46 purchasable commercial shops with a GFA of 15-75 m^2, all designed as residential podium retail spaces.



ZHONGSHAN

ZHONGSHAN KAISA PROSPEROUS GARDEN (中山佳兆業香山熙園)

As a fully-furnished real estate district in the north of Zhongshan, Kaisa Prosperous Garden is located in the new centre of Xiaolan, enjoying a convenient road network of "one national highway, two railways and two expressways", surrounded by two urban rail stations, and is just 3 kilometers from the Dongsheng Expressway entrance and the Zhongshan Xiaolan Station. It is adjacent to Lijing School (麗景學校), with quality education resources. It is located within about 1.4 kilometers from three major commercial circles such as Huifeng City, integrating one-stop catering, leisure, shopping and convenient living environment; about 400 meters away from Xuri Park (旭日公園) and about 1.6 kilometers away from Dongsheng Park (東升公園), a real natural oxygen bar at your doorstep. The project offers south-facing units with a GFA of about 89-125 m^2. The units are bright and have a full sense of spaciousness and translucency, bringing into maximum the sunshine and fresh air.



ZHONGSHAN KAISA YISHAN MANSION (中山佳兆業閱山府)

Kaisa Yishan Mansion is located in the CBD of Zhongshan's core eastern district, at the intersection of Zhongshan's two core trunk roads, the South Outer Ring Road (the Extension of the Shenzhen-Zhongshan Corridor) and the Yangtze River Road, with quick access to Boai Road, Guangzhou-Macao Expressway and Cuiheng Expressway, enjoying priority in the one-hour Greater Bay Area life circle. The project is located in the core area of Zhongshan's main city with top political, commercial, cultural and educational resources. Within about 5 kilometers, there are 9 provincial-level universities, 4 mature business districts, 5 leisure parks, 3 Grade 3A medical facilities and other high-end urban facilities. The project is built on the mountain to create a terrace-style residential area, backed by the mountain and facing Wugui Mountain directly. It is a rare hotel-style resort residential area on the mountain that integrates four major general clubs, seven highlight landscapes, a smart community, and well-known luxury brands, which opens up a new era of the third-generation luxury residences in the eastern part of Zhongshan.



PROJECT PORTFOLIO — SUMMARY

DONGGUAN

DONGGUAN KAISA LE GRAND BLEU (東莞佳兆業碧海雲天)

The Le Grand Bleu project is located next to the New Binhaiwan Bay Area in Dongguan. It is a scarce low-density residential area. The project is surrounded by 1 light rail, 2 bridges and 5 expressways, which connect to Guangzhou and Shenzhen in 30 minutes, 6 stations to Bao'an via Suishen Urban Rail. Ferry Road has been reconstructed and expanded with 6 lanes heading to Binhaiwan Bay Area. The community comes with a 26,000 m^2 commercial street, supermarket, kindergarten and two swimming pools. The project enjoys approximately 28 kilometers of golden coastline, with an unobstructed sea view, facing Nansha and Weiyuan Island. About 5 kilometers of seaside promenade extends the freedom of living space. The yacht club at the doorstep satisfies the interest and taste of life; a bridge directly leads to the internationally award-winning Weiyuan Island Forest Park (威遠島森林公園), allowing residents to enjoy a rich leisure life. The project is selling sea view houses with a GFA of 110 m^2-185 m^2 and sea view villas with a GFA of approximately 190-529 m^2.



DONGGUAN KAISA & TIMES BLOSSOM (東莞佳兆業時代芳華)

Times Blossom occupies the golden gateway between Guangzhou and Dongguan, located in the east of Guangzhou, in the core radiation circle of the dual TOD in Zhongtang, and on the central island surrounded by twin rivers. It is jointly built by the two top brands of developers, namely Times China and Kaisa. Adjacent to the TOD hub station in eastern Guangzhou, it has nine rail interchanges including the Guangzhou-Dongguan-Shenzhen Railway and has smooth access to the transportation network of neighbouring cities such as Shenzhen, Guangzhou and Huizhou. The project is surrounded by 3 public primary schools and 2 public secondary schools within 3 kilometers, and 8 major shopping districts within 7 kilometers, providing 1,000,000 square meters of colorful living space. The project offers three- to four-bedroom units with a GFA of approximately 99-139 m^2, and it is absolutely gorgeous. The project is dedicated to creating an all-age and all-time neighbourhood activity space, with a star swimming pool, sunny lawn, indoor children's theme clubhouse, community sports park and other living parks, returning to the beautiful daily life from a people-oriented perspective.



DONGGUAN KAISA THE RHYTHM
(東莞佳兆業陽光城時代天韵)

The Rhythm is located at the intersection of Houjie and Nancheng, in the affluent area of Shuilian Mountain, a youth community separated by a bridge from Nancheng. Jointly built by Times, Kaisa and Yango, the 7.9km CBD living circle, with a distance of 3 traffic lights leading directly to the China World Trade Center, 8 minutes to the Dongguan Enterprise Headquarters Base, and 10 minutes to Houjie Wanda, is equipped with 3,500 m^2 of community commercial space, providing a complete set of living, shopping and ancillary facilities. The area is equipped with a kindergarten, primary school within 100 meters, and 4 comprehensive primary, junior high and high schools within 10 minutes. Under the Shuilian Mountain, 6,000 acres of lush forests and 4 major parks are adjacent to the property. The project is a large-scale community with a GFA of about 280,000 m^2, with the concept of "life artist" to create a high value aesthetic living sample, and is endowed with about 56,000 m^2 of ecological gardens, equipped with about 550 meters of dual runways, about 6,000 mu of swimming pools, about 800 m^2 of children's play zone, and dual stadiums supporting.



SHANTOU

SHANTOU KAISA SPECULAR MOON
(汕頭佳兆業印月府)

Kaisa Specular Moon is jointly developed by central state-owned enterprises AVIC Trust and Jiangxi Financial Development. The project is located in the core of Xinjin on the East Coast, and the surrounding facilities are well developed, with the Jin Zhonghua Overseas Chinese Pilot District School (金中華僑試驗區學校) and Jin Zhonghaiwan School District beside it, surrounded by schools, and the Wanxianghui commercial circle is just one street away. The project is planned and constructed as a purely residential building with a modern style garden of about 40,000 m^2, equipped with an island-themed elevated layer, striving to become the benchmark of high-quality residential units on the east coast.



PROJECT PORTFOLIO — SUMMARY

ZHUHAI

KAISA MACAU BAY PHASE TWO
(珠海水岸華都二期)

The Kaisa Macau Bay Phase Two B Project is located at the pivotal gateway position of the Hong Kong-Zhuhai-Macao Bridge, with the Wanzai Port and Guangzhou-Zhuhai Intercity Railway's Wanzai North Station literally at its doorstep. The development commands panoramic views of Macau's cityscape while monopolizing premium first-line riverfront landscape resources. It enjoys a multidimensional transport network, comprising the Hong Kong-Zhuhai-Macao Bridge, the Guangzhou-Zhuhai Intercity Railway and five border checkpoints, boasting a supreme geographical location connected with Hengqin District at the South and directly facing Macao. It fully capitalizes on the Northbound Travel Policy for Hong Kong/Macao vehicles to realize seamless 1-hour intercity living across three cities. The project is strategically positioned to harness the developmental dividends emanating from the Guangdong-Macao In-Depth Cooperation Zone, poised to emerge as a new value pinnacle within the Greater Bay Area.



JIANGMEN

JIANGMEN YUEFENG MANSION
(江門悦峰府)

Kaisa·Yuefeng Mansion is strategically located next to the Jiangmen Station, the critical transportation hub in the Pearl River Delta's western sector of the Greater Bay Area. Located in the core area of the TOD hub in Xinhui District of Jiangmen, the project offers comprehensive amenities and is surrounded by a full range of facilities, including top-tier educational resources such as Wenhua Primary School and Guangya School. The vicinity converges major commercial complexes like Wanda Plaza and Grand Gateway City, alongside emerging developments such as Wenhua Commercial Plaza (under construction) and Junming Happy World (under construction). The project is adjacent to key leisure facilities including the Hub Xincheng Sports Park and Meijiang Wetland Ecological Park, located within an area of fully matured infrastructure that delivers a comprehensive one-stop urban living experience with all essential conveniences effortlessly accessible. It has been configured to incorporate approximately 10 high-rise residential buildings alongside 1,400 m^2 of commercial facilities, while establishing 14,000 m^2 of central landscape gardens and four themed multi-generational clubhouses designed for comprehensive age group engagement, developing a new benchmark for premium residences in Xinhui District.



PROJECT PORTFOLIO — SUMMARY

BEIJING

BEIJING XISHAN PALACE (北京西山相府)

Xishan Palace is located at the foot of Xishan Mountain in Mentougou District, Beijing, on the banks of the Yongding River. The project has planned a total of 298 units in 8-10-story houses, with one-floor-two-units design. The project's landscape is modeled after "The Humble Administrator's Garden" and adopts the "Jiu Jiu Gui Yi (九九歸一)" gardening technique to create the unique "Nine Scenes, Eight Happinesses, Seven Phoenixes, Six Treasures, Five Lakes, Four Seas, Three Pavilions, Two Terraces, and One Mountain" landscape of the community garden in the south of the Yangtze River. The project offers three-bedroom units with a GFA of 125-143 m^2, which is a good choice for improvement of home ownership in the western part of Beijing.



NANJING

NANJING KAISA RIVERSIDE MANSION (南京佳兆業雲溪璟園)

The Riverside Mansion project is located in the heart of Lukou City, an old town center which is well equipped with living facilities. The two metro line S1 and Line 18 (under planning) has smooth access to the main city. It is equipped with commercial facilities such as Zhengyang Road Commercial Street and Baili Plaza, and is adjacent to Lukou Second Kindergarten (祿口第二幼兒園), Baijiahu Primary School (百家湖小學分校), Lukou Secondary School (祿口中學) and other high-quality education resources for all ages. The project is adjacent to the Hengxi River, with a 10,000 m^2 axial garden view inside, and 11F low-density townhouses, with building spacing of about 43-47 meters, fully illuminated by sunlight. Eight thematic landscape spaces, and eight scenic spots, the whole family can enjoy the living world; glorious new Asian style architecture with a simple and stylish atmosphere. It has created luxurious and spacious units with a GFA of approximately 95/105/122 m^2, and all of them are equipped with double bathrooms to meet the needs of families; all of them are delivered fully furnished and equipped with seven major living systems such as central air-conditioning, kitchen and storage, intelligent security, Well-known brands such as Kohler, Boss, and Moen are selected to build a benchmark of contemporary residential units.



PROJECT PORTFOLIO — SUMMARY

CHENGDU

CHENGDU KAISA LONGYUE NO. 1 (成都佳兆業瓏樾壹號)

Chengdu Kaisa Longyue No. 1 is located in the high-end residential area of Shiling near the Third Ring Road in downtown Chengdu, with about 30,000 mu of Qinglonghu Wetland Park and close to metro Line 4, enjoying the "prosperous outside and peaceful inside" main city lake residence villa life. The project is planned to include stacked villas and a small number of townhouses with a green ratio of about 40%. All villas are north- or south-facing which maximize the use of light and the view through the windows, demonstrating the sense of living rituals of a modern luxury residence. The façade of the building adopts a fusion of modernist simple lines and Eastern-style eaves, and creates a multiple gardens of art and luxury aesthetic, which is a perfect interpretation of the contemporary pioneering aesthetic of a collector's villa. The product design of multiple upper and lower double-stacked products creates a villa with a sense of luxury, privacy and respect with a density of residents closer to the land.



LUOYANG

LUOYANG KAISA CENTER (佳兆業華耀城洛陽中心)

Luoyang Kaisa Center project is located in the heart of Luolong, at the intersection of Kaiyuan Avenue and Longmen Avenue and at the historical axis, with medical and educational resources on the side, four major international commercial centers, first tier ecological resources, and convenient transportation. The project is a 1 million m^2 urban complex integrating star-level hotels, 5A-grade offices, specialty commercial districts, high-end residential units and apartments. The 1.2km commercial street underneath the Luoyang Center project is a new city landmark. The apartments with a GFA of about 38-73 m^2 draw on the attributes of Luoyang's tourist city and gather strong consumption power with the cultural and tourism industry as the core. Landscape garden design master S.P.I Landscape worked together to create a poetic garden in the landscaping center. Interactive spaces such as high-quality clubs and elevated floors are specially customized to improve life; gyms and swimming pools meet the needs of all ages. With a GFA of about 108-187 m^2 of the existing units, it is fully based on the needs of people, creating the center of prosperous life, matching the future vision of the city with the new form of high-definition residential houses, and becoming the first choice for life improvement in Luolong.

Kaisa HYC Luoyang Center has been awarded the 2023 Luoyang Top 1 in terms of both commercial and residential sales area and value, topping the sales list in Luoyang with its "Red Center" award.



PROJECT PORTFOLIO — SUMMARY

LUOYANG KAISA WATERFRONT RESIDENCE (洛陽華耀城佳兆業水岸華府)

The Waterfront Residence project is located at the intersection of Yibin District and Luolong District, which is the bridgehead of the new Yibin District and enjoys the benefits of Yibin District and Luolong District. The project is close to the 2.5 million m^2 Hua Yao City commercial complex (under construction), with very convenient transportation. The project consists of 12 high-rise buildings, 6 townhouses and an 18-class kindergarten. The product offers approximately 1,935 units with a GFA of approximately 100-140 m^2 and a green area ratio of 30.1%. The project adopts "modern Chinese style" architecture, "Song-style aesthetics" landscaping and "pedestrian-vehicle segregation" design. The project will create a new oriental mansion for Luoyang.



DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

As at the date of this report, the board of directors (the "**Board**") of the Company consists of ten directors (the "**Directors**"), four of whom are independent non-executive Directors. The Board has the general powers and duties for the management and conduct of the business. The Company has entered into service contracts with each of the Directors.

The table below sets forth certain information regarding the Directors:

Name	Age	Position
KWOK Ying Shing	61	Chairman and Executive Director
MAI Fan	47	Vice Chairman, Executive Director and Chief Executive Officer
KWOK Hiu Kwan	34	Executive Director
LUO Tingting	41	Chief Financial Officer and Executive Director
SONG Wei	41	Executive Director
LIU Lihao	42	Executive Director
ZHANG Yizhao	55	Independent Non-Executive Director
RAO Yong	67	Independent Non-Executive Director
LIU Xuesheng	62	Independent Non-Executive Director
LI Dapeng	45	Independent Non-Executive Director

Chairman and Executive Director

KWOK Ying Shing (郭英成), aged 61, is the Chairman of the Board and an executive Director of the Company. He is also the chairman of the Nomination Committee and a member of the Remuneration Committee of the Board.

He is one of the founders of the Group and has been the chairman of its board and a director since its inception in 1999. He resigned as the Chairman and an executive Director in December 2014 and was re-appointed as the Chairman and an executive Director in April 2015. Mr. Kwok is primarily responsible for overall strategy, investment planning and human resource strategy of the Group. Mr. Kwok has extensive experience in real estate development, investment and financing management. Mr. Kwok is currently the chairman and an executive director of Kaisa Capital Investment Holdings Limited (stock code: 936), Kaisa Health Group Holdings Limited (stock code: 876), Kaisa Prosperity Holdings Limited (stock code: 2168) and Sing Tao News Corporation Limited (stock code: 1105).

Executive Directors

MAI Fan (麥帆), aged 47, has been an executive Director since July 2017. He is also a Vice Chairman, the Chief Executive Officer and an authorised representative of the Company for the purpose of the Listing Rules and Companies Ordinance. Mr. Mai is responsible for the overall management and daily operations of the Group. Mr. Mai also serves as the director of Urban Renewal Group, Shenzhen Football Club and Poverty Alleviation Group. Prior to joining the Group in August 2015, Mr. Mai served at the Shenzhen Municipal Highway Bureau and Futian Government, Shenzhen from July 2001 to July 2015. Mr. Mai received his bachelor of laws from the Sun Yat-sen University in 2001 and received the qualification of legal profession in 2002.

DIRECTORS AND SENIOR MANAGEMENT

KWOK Hiu Kwan (郭曉群), aged 34, has been an executive Director since April 2020. He is also the chairman and president of the Shanghai region of the Group. He is responsible for overseeing the Group's business (including mergers and acquisitions, property developments, investments and financing) and business development in Shanghai. Mr. Kwok worked as the vice president of the real estate of the Group's Shanghai region from May 2018 to March 2020. Since March 2020, he has been appointed as chairman of the Shanghai region of the Group. Mr. Kwok graduated from Essex University in the United Kingdom with a bachelor's degree in finance management in July 2013 and obtained a master in sociology from University College London in the United Kingdom in July 2014. Mr. Kwok is currently an executive director of Kaisa Prosperity Holdings Limited (stock code: 2168).

LUO Tingting (羅婷婷), aged 41, has been an executive Director since September 2024. She is also a member of the Nomination Committee and the chief financial officer of the Group, and is primarily responsible for the financial management of the Group. Ms. Luo joined the Group in April 2011, and successively served as the general manager of the Planning and Finance Department of the Group and president assistant of the Group. She had worked in a major accounting firm before joining the Group. Ms. Luo graduated from Jiangxi University of Finance and Economics majoring in public finance and English with a double bachelor's degree of economics and arts in July 2006.

SONG Wei (宋偉), aged 41, has been an executive Director since September 2024. He was appointed as the senior vice president of the Group in September 2019 and concurrently served as the president of the Shenzhen Group. Mr. Song joined the Company in June 2010 and has held various positions including assistant to general manager of the President's Office, deputy general manager of the Group Strategic Development Department, general manager of the President's Office, president of the Shenzhen Urban Renewal Group and vice president of Group Holdings. Prior to joining the Company, Mr. Song worked in news and planning at Hubei Daily Media Group and Evergrande Real Estate Group. Mr. Song has a deep industry background in the field of urban renewal and integrated land development. He has successfully led teams in implementing several landmark projects such as Shenzhen Bantian Kaisa City Plaza, Yantian overall relocation project, Futian Dongshan project, and actively promoted industry development. He is the founding deputy director of the Urban Renewal Professional Committee of the Shenzhen Real Estate Industry Association. Mr. Song graduated from Hubei University in June 2007 with a bachelor's degree in journalism and communication. In May 2022, he graduated from a joint program between Tongji University and the University of Texas at Arlington in the United States, earning an executive master's degree in Business Administration.

LIU Lihao (劉立好), aged 42, has been an executive Director since September 2024. He is also an executive president and chief investment officer of the Group, and is responsible for the management of investment and financing affairs of the Group. Mr. Liu joined the Group in August 2012 and served as the assistant to president of the Real Estate Group (Beijing Region), the vice president of the Real Estate Group (Shanghai Region), the president and the chairman of the Shenzhen Group. Before joining the Group, Mr. Liu worked on commercial real estate analysis and operating management successively in DTZ holdings and Guangming Technology Park Co., Ltd. of China Merchants Group. Mr. Liu graduated from Jiangxi University of Finance and Economics with bachelor's degrees of Economics and Laws.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors

ZHANG Yizhao (張儀昭), age 55, has been an independent non-executive Director of the Company since 17 November 2009. Mr. Zhang is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He is also an independent director of Hongli Group Inc. (NASDAQ: HLP) and China Carbon Graphite Group Inc. (OTC BB: CHGI). Mr. Zhang has over 20 years of experience in accounting and internal control, corporate finance, and portfolio management. Previously, Mr. Zhang was the CFO or director at various public companies listed in the US, Hong Kong and Tokyo. Mr. Zhang also had experiences in portfolio management and asset trading at Guangdong South Financial Services Corporation from 1993 to 1999. He is a Certified Public Accountant of the State of Delaware, and a member of the American Institute of Certified Public Accountants (AICPA). He also has the Chartered Global Management Accountant (CGMA) designation. Mr. Zhang graduated with a bachelor's degree in economics from Fudan University, Shanghai in 1992 and received a Master of Business Administration with concentrations in financial analysis and accounting from the State University of New York at Buffalo in 2003.

RAO Yong (饒永), aged 67, has been an independent non-executive Director of the Company since 17 November 2009. Mr. Rao is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Rao is currently a director of Shenzhen Pengcheng Certified Public Accountants Co. Ltd. He is a member of the Chinese Institute of Certified Public Accountants (CICPA) and a certified public valuer in China. Mr. Rao has over 29 years of experience in accounting and auditing. Mr. Rao was a director of the Audit Bureau of Shenzhen City from 1991 to 1997 and a head of the Audit Bureau of Wuzhou City, Guangxi Province from 1987 to 1990. Mr. Rao has also been a director of The Chinese Institute of Certified Public Accountants since 1996, a director of the Shenzhen Institute of Certified Public Accountants since 1996 and its president since 2005, a forensic accounting expert of Shenzhen City since 2002 and the deputy secretary-general of the Asset Evaluation Association of Shenzhen City since 1997. Mr. Rao was appointed as an independent non-executive director of Maoye International Holdings Limited (a company listed on the Stock Exchange, stock code: 848) on 29 April 2020. Mr. Rao received a diploma in accounting from Guangxi College of Finance and Economics, China in July 1980.

LIU Xuesheng (劉雪生), aged 62, has been an independent non-executive Director of the Company since 28 February 2017. Mr. Liu joined Shenzhen Institute of Certified Public Accountants (深圳市註冊會計師協會) ("**SZICPA**") since February 1999 as a secretary general. He is currently the vice president of Accounting Society of Shenzhen and vice president of Shenzhen Accounting Association. Prior to joining the SZICPA, Mr. Liu was the accountant of OCT Group (深圳華僑城集團) from April 1992 to February 1999. Mr. Liu graduated from Jiangxi Institute of Finance and Economics (江西財經學院) (now known as the Jiangxi University of Finance and Economics (江西財經大學) with a bachelor degree in 1989 and graduated from Shanghai University of Finance and Economics (上海財經大學) majoring in accounting and obtained a master degree in economics in 1992. He was admitted as Certified Public Accountants in the People's Republic of China in 1995. Mr. Liu is currently an independent non-executive director of Shenzhen JPT Opto-electronics Co., Ltd (深圳市傑普特光電股份有限公司), which is a company listed on the Shanghai Stock Exchange. He is an independent non-executive director of unlisted Shenzhen Ping An Fund Management Co., Ltd. (深圳市平安基金管理有限公司) and a director of Shenzhen Academy of Metrology and Quality Inspection. From June 2008 to June 2011, Mr. Liu was the independent non-executive director of Dongjiang Environmental Company Limited (stock code: 895), a company listed in Hong Kong.

LI Dapeng (李大鵬), aged 45, has been an independent non-executive Director of the Company since 31 March 2025. Mr. Li is also a member of the Nomination Committee. Mr. Li graduated from the University of Greenwich, U.K., with a master's degree in real estate management. Mr. Li is currently the president and editor-in-chief of the overseas business department of Sing Tao News Corporation Limited ("**Sing Tao**") and is also the president of its mainland China business. Before joining Sing Tao in February 2025, Mr. Li served as deputy manager of the planning department of the Shenzhen Land and Real Estate Trading Center from April 2004 to February 2025, and held positions as deputy manager of the brand management department of Logan Real Estate Co., Ltd., senior brand manager of the marketing management department of Shenzhen Excellence Group, deputy director of the brand center of Baoneng Investment Group, and vice president of investor relations of the Company, where he was not involved in the management of the business of the Group.

SENIOR MANAGEMENT

As at the date of this report, the senior management members are XIE Binhong, Zhao Yuheng and Liu Tao. The table below sets forth certain information regarding the senior management members:

Name	Age	Position
XIE Binhong	42	Chief Human Resources Officer
Zhao Yuheng	45	Senior Vice President
Liu Tao	44	Vice President

Xie Binhong, aged 42, is the Chief Human Resources Officer of the Group, responsible for human resources management. Mr. Xie joined the Group in 2011 and has successively served as assistant to the president of Kaisa Commercial Group, deputy president of the Shenzhen Region, and senior vice president of the Group. Prior to joining the Group, Mr. Xie worked at Financial Street Huizhou Property Co., Ltd. and other organisations. Mr. Xie graduated from Tsinghua University in June 2025 with a Master's degree in Business Administration

Zhao Yuheng, aged 45, is a Senior Vice President of the Group, responsible for the management of the Guangzhou Group. Mr. Zhao joined the Group in July 2017 and has successively served as chairman and general manager of Shanghai Real Estate Company, president of Shanghai Group, and operations president of the Group. Mr. Zhao graduated from Southeast University in 2003 with a Bachelor's degree, and graduated from Tongji University in May 2022 with a Master's degree in Business Administration.

Liu Tao, aged 44, is a Vice President of the Group, responsible for digital technology and brand management. Mr. Liu joined the Group in October 2009 and has successively served as general manager of the Group's Information Management Department, president of the Technology Group, and Assistant to the president of the Group. Prior to joining the Group, Mr. Liu worked at Shenzhen Mingyuan Software Co., Ltd. and other organisations. Mr. Liu graduated from Shandong University of Science and Technology in 2005 with a Bachelor's degree.

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2025.

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance and accountability. The Board will strive to uphold the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders of the Company.

The Company is committed to achieving high standards of corporate governance. An internal corporate governance policy was adopted by the Board aiming at providing greater transparency, quality of disclosure as well as more effective risk and internal control. The execution and enforcement of the Company's corporate governance system is monitored by the Board with regular assessments. The Company believes that its commitment to high-standard practices will translate into long-term value and ultimately maximise returns to shareholders. The Company's management pledges to build long-term interests for shareholders via, for example, conducting business in a socially responsible and professional manner. The Board continues to monitor and review the Company's corporate governance practices to ensure compliance.

The Company has adopted the code provisions of the Corporate Governance Code (the "**CG Code**") as its own code to govern its corporate governance practices. The Company was conducting its business according to the principles of the CG Code set out in Appendix C1 to the Listing Rules.

For the year ended 31 December 2025, the Company complied with the code provisions of the CG Code set out in Appendix C1 to the Listing Rules.

(A) THE BOARD OF DIRECTORS

Board Composition

The members of the Board during the year under review were as follows:

Members of the Board

Executive Directors:

Mr. KWOK Ying Shing
Mr. MAI Fan
Mr. KWOK Hiu Kwan
Ms. LUO Tingting
Mr. SONG Wei
Mr. LIU Lihao
Mr. LI Haiming (resigned on 5 January 2026)

Independent non-executive Directors:

Mr. ZHANG Yizhao
Mr. RAO Yong
Mr. LIU Xuesheng
Mr. LI Dapeng (appointed on 31 March 2025)

Biographical details of the Directors and the senior management of the Company are disclosed in the section headed "Directors and Senior Management" of this annual report. Save as disclosed in such section, to the best knowledge of the Company, there are no relationships (including financial, business, family or other material relationships) among the directors and senior management.

For the year ended 31 December 2025, the company secretary of the Company confirmed that he had received not less than 15 hours of relevant professional training to update his knowledge and skills.

As at 31 December 2025, the Board consisted of eleven Directors including Mr. KWOK Ying Shing, Mr. MAI Fan, Mr. LI Haiming, Mr. KWOK Hiu Kwan, Ms. LUO Tingting, Mr. SONG Wei and Mr. LIU Lihao as the executive Directors and Mr. ZHANG Yizhao, Mr. RAO Yong, Mr. LIU Xuesheng and Mr. LI Dapeng as the independent non-executive Directors. Mr. LI Haiming resigned as an executive Director with effect from 5 January 2026. The overall management of the Company's operation is vested in the Board.

Mr. LI Dapeng was appointed as Director of the Company in compliance with the Rule 3.09D of the Listing Rules. On 31 March 2025, he had obtained the legal advice regarding his appointment and he had confirmed he understood his obligations as Director of the Company.

CORPORATE GOVERNANCE REPORT

Directors' Responsibilities

The Board takes on the responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, risk management and internal control systems, and monitor the performance of the senior executives. The Directors have to make decisions objectively in the interests of the Company. As of the date of this report, the Board comprised ten Directors, including six executive Directors and four independent non-executive Directors. Their names and biographical details are set out in the section entitled "Directors and Senior Management" in this annual report.

All Directors have full and timely access to all relevant information about the Company so that they can discharge their duties and responsibilities as Directors. In particular, through regular Board meetings and receipt of regular financial and business updates, all Directors are kept abreast of the conduct, business activities and development, as well as regulatory updates applicable to the Company.

Liability insurance for Directors and members of the senior management of the Company was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

Delegation by the Board

The management, consisting of the executive Directors of the Company along with other senior executives, is delegated with responsibilities for implementing the strategy and direction as adopted by the Board from time to time, and conducting the day-to-day operations of the Group. Executive Directors and senior executives meet regularly to review the performance of the businesses of the Group as a whole, co-ordinate overall resources and make financial and operational decisions. The Board also gives clear directions as to their powers of management including circumstances where management should report back, and will review the delegation arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Compliance with the Model Code for Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of 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.

Chairman and Chief Executive Officer

Under code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. For the year ended 31 December 2025, in order to reinforce their respective independence, accountability and responsibility, Mr. KWOK Ying Shing acted as Chairman and Mr. MAI Fan acted as Chief Executive Officer during the year.

The chairman plays a leadership role and is responsible for the effective functioning of the Board in accordance with the good corporate governance practice adopted by the Company. He is also responsible for instilling corporate culture and developing strategic plans for the Company. Under code provisions C.2.2 and C.2.3 of the CG Code, the chairman would ensure that all Directors are properly briefed on issues arising at Board meetings and would be responsible for ensuring that Directors receive adequate information, which must be complete and reliable, in a timely manner. On the other hand, the chief executive officer primarily focuses on developing and implementing objectives and policies approved and delegated by the Board. The chief executive officer is also responsible for the Group's day-to-day management and operations and the formulation of the organisation structure, control systems and internal procedures and processes of the Company for the Board's approval.

Independent Non-Executive Directors

The independent non-executive Directors play a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decision. They bring an impartial view on the Company's strategies, performance and control.

All independent non-executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board.

The Board also considers that the independent non-executive Directors can provide independent advice on the Company's business strategies, results and management so as to safeguard the interests of the Company and its shareholders.

For the year ended 31 December 2025, the Company has received an annual confirmation of independence from each independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

Pursuant to Rule 3.10(1) of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive Directors. Pursuant to Rule 3.10A of the Listing Rules, the independent non-executive Directors of a listed issuer must represent at least one-third of the Board of such listed issuer. The Company has complied with Rules 3.10 (1) and 3.10A of the Listing Rules.

Mechanism to Ensure Board Independence

The Company has in place mechanisms to ensure independent views and input are available to the Board. The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgement. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the Nomination Committee of the Company is responsible to assess the independence and time commitment of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. To facilitate proper discharge of their duties, all the Directors are entitled to seek advice from the company secretary of the Company or, upon reasonable request, seek independent professional advice at the Company's expense. The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns.

Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the mechanisms are effective in ensuring that independent views and input are provided to the Board during the year ended 31 December 2025.

CORPORATE GOVERNANCE REPORT

Board Meetings

The Board meets regularly to discuss and formulate the overall strategy as well as the operation and financial performance of the Group. Directors may participate either in person or through electronic means of communications. Meeting agenda for regular meetings are set after consultation with the Chairman. All Directors are given an opportunity to include matters in the agenda.

At least 14 days' notice will be given for a regular Board meeting to give all Directors an opportunity to attend. For all other Board meetings, reasonable notice will be given.

For the year ended 31 December 2025, it is considered that the Directors are well acknowledged to the business and the operation of the Group.

All Directors are provided with relevant materials relating to the matters in issue in advance before the meetings and have the opportunity to include matters in the agenda for Board meetings. They can separately get access to the senior executives and the company secretary at all time and may seek independent professional advice at the Company's expense. Minutes of board meetings and meetings of Board committees are kept by the company secretary of the meeting and such minutes are open for inspection at any reasonable time on reasonable notice by any Director. Pursuant to code provision C.5.5 of the CG Code, minutes of Board meetings and meetings of Board committees record in sufficient detail the matters considered by the Board and decisions reached, including any concerns raised by the Directors or dissenting views expressed. Draft and final versions of minutes of Board meetings were sent to all the Directors for their comment and record respectively, in both cases within a reasonable time after the Board meeting was held.

Other than regular meetings, the Chairman also meets with Independent non-executive Directors without the presence of executive Directors, to facilitate an open discussion among the Independent non-executive Directors on issues relating to the Group.

Pursuant to code provision C.5.7 of the CG Code, if a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by way of a physical meeting, rather than a written resolution. Independent non-executive Directors who, and whose close associates, have no material interest in the transaction would be present at such Board meeting.

The Board procedures are in compliance with the Articles, as well as relevant rules and regulations.

Appointment, Re-election and Removal of Directors

Each of the executive Directors has entered into service contract with the Company for a term of three years, and subject to re-election at the annual general meeting of the Company ("**AGM**"), and which will continue thereafter until terminated by either party thereto giving to the other party not less than three months' prior notice in writing. Each of the independent non-executive Directors has entered into letter of appointment with the Company and is appointed for a period of one year commencing on the date of appointment, which shall be automatically extended for another one year upon expiration of the letter of appointment, and subject to re-election at the AGM, and such letter of appointment could be terminated by giving not less than three months' prior notice in writing. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting of the members of the Company and shall then be eligible for re-election at such meeting. Besides, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

In accordance with the Articles, at every AGM of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and being eligible offer themselves for re-election.

The members of the Company may, at any general meetings convened and held in accordance with the Articles, remove a Director at any time before the expiration of his period of office notwithstanding anything contrary in the Articles or in any agreement between the Company and such Director.

Training and Support for Directors

Directors must keep abreast of their collective responsibilities. Each newly appointed Director or alternative Director would receive an induction package covering the Group's businesses and the statutory regulatory obligations of a director of a listed company. The Group also provided briefings and other training to develop and refresh Directors' knowledge and skills. The Group continuously updates Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management, where appropriate, to ensure awareness of best corporate governance practices.

Briefings on directors' duties were given to the newly appointed executive Directors.

During the year ended 31 December 2025, the Directors also participated in the following trainings:

Directors	Types of training
Executive Directors	
Mr. KWOK Ying Shing	B
Mr. MAI Fan	B
Mr. LI Haiming (resigned on 5 January 2026)	B
Mr. KWOK Hiu Kwan	B
Ms. LUO Tingting	B
Mr. SONG Wei	B
Mr. LIU Lihao	B
Independent Non-Executive Directors	
Mr. ZHANG Yizhao	A, B
Mr. RAO Yong	B
Mr. LIU Xuesheng	B
Mr. LI Dapeng (appointed on 31 March 2025)	B

A: giving talks at seminars and/or conferences and/or forums

B: reading newspapers, journals, Company's newsletters and updates relating to the economy, general business, real estate or Directors' duties and responsibilities, etc.

CORPORATE GOVERNANCE REPORT

Board Diversity Policy and Workforce Diversity Policy

The Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

The Board has reviewed, through the Nomination Committee, the structure, size, composition and diversity of the Board as well as the nomination and appointment procedure of directors during the year. The Nomination Committee took the view that the measurable objectives were achieved to a large extent. It paid particular attention to the cultural and educational background, professional and technical experience, and skills of the members of the Board and also reviewed the composition of executive Directors, non-executive Directors and independent non-executive Directors, so as to ensure appropriate diversity and independence within the Board.

There was one female Director during the year ended 31 December 2025. The Board aims to maintain at least the current level of female representation and will strive to achieve a balanced gender diversity based on stakeholders' expectations and best practices with the ultimate goal of increasing the proportion of female members over time as and when suitable candidates are identified. The Company will also ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future. The Board will regularly review its policies and procedures for board diversity, taking into account relevant data and feedback from stakeholders, and will take appropriate action as needed to ensure that it is achieving its gender diversity goals.

During the year, after the annual review of the implementation and effectiveness of the Board Diversity Policy, the Board is satisfied that the Board Diversity Policy has been properly implemented and is effective.

The Board also adopted a workforce diversity policy to reinforce the Group's commitment to fair and equal employment opportunities. The Group recruits and selects candidates based on merit, without restriction on nationality, race, gender, region, or religion. To foster a diverse and experienced workforce, the Group provides comprehensive talent management, training programmes, and career development opportunities. As at 31 December 2025, the gender ratio of the Group's workforce is 58% male and 42% female. While the male employee base is slightly higher, the Board considers the overall gender diversity to be balanced and appropriate.

Board Committees

The Board has established three committees, namely, the Nomination Committee, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Board and the Company's affairs. All Board committees are established with defined written terms of reference which are available to shareholders on the websites of the Company and the Stock Exchange. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Nomination Committee and policy

The Nomination Committee is primarily responsible for, among other things, considering and recommending to the Board suitably qualified persons to become the member of the Board and is also responsible for reviewing the structure, size and composition of the Board on a regular basis and as required.

Its written terms of reference cover recommendations to the Board on the appointment of Directors, evaluation of Board composition and the management of Board succession with reference to certain guidelines as endorsed by the Committee. These guidelines include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills, and time commitments of members. The Nomination Committee will select and recommend candidates for directorship after consideration of referrals and engagement of external recruitment professionals, when necessary.

The composition of the Nomination Committee during the year under review was as follows:

Chairman:
Mr. KWOK Ying Shing, executive Director

Members:
Ms. LUO Tingting, executive Director (appointed on 30 June 2025)
Mr. ZHANG Yizhao, independent non-executive Director
Mr. RAO Yong, independent non-executive Director
Mr. LI Dapeng, independent non-executive Director (appointed on 30 June 2025)

The summary of work of the Nomination Committee during the year ended 31 December 2025 are as follows:

- reviewed the structure, size and composition of the Board (including the skills, knowledge and experience) and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identified individuals suitably qualified to become Board members;
- made recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer of the Company; and
- assessed the independence of independent non-executive Directors.

In evaluating and selecting any candidate for directorship, the following factors would be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
- Diversity in all aspects with reference to the Diversity Policy of the Board.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive directors in accordance with the Hong Kong Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of directors and succession planning.

CORPORATE GOVERNANCE REPORT

Audit Committee

The Audit Committee is responsible for, among other things, the review and supervision of the Group's financial reporting process, internal controls and review of the Company's financial statements. Their written terms of reference are in line with the provisions under the CG Code and explains the role and the authority delegated to the Audit Committee by the Board.

The Audit committee consists of three members, all of whom are independent non-executive Directors. The composition of the Audit Committee during the year under review was as follows:

Chairman:
Mr. RAO Yong, independent non-executive Director

Members:
Mr. ZHANG Yizhao, independent non-executive Director
Mr. LIU Xuesheng, independent non-executive Director

The summary of work of the Audit Committee during the year ended 31 December 2025 are set out below:

- made recommendation to the Board on the appointment, re-appointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal;
- reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- developed and implemented policy on engaging an external auditor to supply non-audit services;
- reviewed and monitored integrity of the Company's financial statements, annual report and accounts and half-year reports and to review significant financial reporting judgements contained in them;
- reviewed the Company's financial controls, internal control and risk management systems;
- discussed the internal control system with management of the Company and ensure that the management has performed its duty to have an effective internal control system;
- reviewed the financial and accounting policies and practices of the Company and its subsidiaries;
- reviewed the external auditor's management letter, any material queries raised by the auditor to the management in respect of the accounting records, financial accounts or systems of control and management's response, and to ensure that the Board provides a timely response to the issues raised; and
- reviewed the effectiveness of the risk management and internal control systems and the internal audit function.

Remuneration Committee

The Remuneration Committee is responsible for, among other things, making recommendations to the Directors' remuneration and other benefits. The remuneration of all Directors is subject to regular monitoring by the Remuneration Committee to ensure that level of their remuneration and compensation are reasonable. Their written terms of reference are in line with the provisions of the CG Code. Pursuant to code provision E.1.3 of the CG Code, the remuneration committee would make available its terms of reference, explaining its role and the authority delegated to it by the Board. The composition of the Remuneration Committee during the year under review was as follows:

Chairman:
Mr. ZHANG Yizhao, independent non-executive Director

Members:
Mr. KWOK Ying Shing, executive Director
Mr. RAO Yong, independent non-executive Director

The summary of work of the Remuneration Committee during the year ended 31 December 2025 are set out below:

- made recommendations to the Board on the Company's policy and structure for all remunerations of Directors and senior management of the Company and on the establishment of formal and transparent procedures for developing policies on all such remunerations;
- had the delegated responsibilities to determine the specific remuneration packages of all executive Directors and senior management members of the Company;
- reviewed and approved performance-based remunerations by reference to corporate goals and objectives resolved by the Board from time to time;
- reviewed and approved compensation payable to executive Directors and senior management of the Company in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is fair and not excessive for the Company;
- reviewed and approved compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is reasonable and appropriate; and
- ensured that no Director or any of his/her associates is involved in deciding his/her own remuneration.

The remuneration policy of the Group and details of the remuneration of the Directors are set out in the section headed "Report of the Directors" and note 13 to the consolidated financial statements. During the year ended 31 December 2025, the Remuneration Committee determined the remuneration packages of the executive Directors and senior management members of the Company, and reviewed the collective performance and individual performance as well as the performance-based bonus payment of them.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the senior management by band for the year 2025 is set out below:

Remuneration bands (RMB)	Number of Persons
1 to 1,000,000	13
1,000,001 to 2,000,000	1
	14

CORPORATE GOVERNANCE REPORT

Corporate Governance Function

The Board has delegated the functions set out in code provision A.2.1 of the CG Code to the Audit Committee.

During the year ended 31 December 2025, the Audit Committee has reviewed the Company's corporate governance policies and practices, training and continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and the Company's compliance with the CG Code and disclosure in its Corporate Governance Report.

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company may from time to time and as the circumstances require provide updated written training materials relating to the roles, functions and duties of a director of a company listed on the Stock Exchange.

Meeting Attendance

The attendance of Directors at Board meetings and meetings of the Board committees and general meetings during the year ended 31 December 2025, as well as the number of such meetings held, is set out as follows:

Meetings attended/held

Directors	Board	Nomination Committee	Audit Committee	Remuneration Committee	General Meeting
Executive Directors					
Mr. KWOK Ying Shing	4/4	1/1		1/1	1/1
Mr. MAI Fan	4/4				1/1
Mr. LI Haiming (resigned on 5 January 2026)	4/4				1/1
Mr. KWOK Hiu Kwan	4/4				1/1
Ms. LUO Tingting	4/4				1/1
Mr. SONG Wei	4/4				1/1
Mr. LIU Lihao	4/4				1/1
Independent Non-Executive Directors					
Mr. ZHANG Yizhao	4/4	1/1	2/2	1/1	1/1
Mr. RAO Yong	4/4	1/1	2/2	1/1	1/1
Mr. LIU Xuesheng	4/4		2/2		1/1
Mr. LI Dapeng (appointed on 31 March 2025)	3/3				1/1

(B) FINANCIAL REPORTING AND INTERNAL CONTROL

Financial Reporting

The Directors are responsible for the preparation of the financial statements of the Group. In the preparation of financial statements, the Hong Kong financial reporting standards have been adopted and the appropriate accounting policies have been consistently used and applied. The Board aims to present a clear and balanced assessment of the Group's performance in the annual and interim reports to the shareholders, and make appropriate disclosure and announcements in a timely manner. Pursuant to code provision D.1.1 of the CG Code, management would provide sufficient explanation and information to the Board to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The working scope and reporting responsibilities of ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited), the Company's external auditor, are set out on pages 96 to 101 of the "Independent Auditor's Report" in this annual report.

Elite Partners CPA Limited resigned as the auditor and the Company appointed ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited) with effect from 31 October 2024 to fill the casual vacancy. Save as disclosed, there has been no other changes in auditors of the Company for the preceding three years.

External Auditor's Remuneration

During the year under review, the fee payable to ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited) in respect of its audit services provided to the Company were RMB5.1 million. The fee for non-audit services provided to the Company was RMB0.8 million. The non-audit services conducted by the external auditor mainly include agreed upon procedures in relation to the unaudited interim results for the six months ended 30 June 2025.

Risk Management and Internal Control

The Board is responsible for the Company's risk management and internal control systems and for reviewing their effectiveness. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Procedures have been designed for safeguarding assets against unauthorised use or disposition, the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publications and the compliance of applicable laws, rules and regulations.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Company has developed and adopted risk management procedures and guidelines with defined authority for implementation by key business processes and office functions. The Board, together with the Audit Committee, should collect the information from the risk management system, include discussions of risk and oversight of the management of those risks into the agenda of Board meetings.

An internal audit department has been established to perform regular financial and operational reviews and conduct audit of the Company and its subsidiaries. The work carried out by the internal audit department will ensure the internal controls are in place and functioning properly as intended. In addition, the Company, through the Audit Committee, has also reviewed the adequacy of resources, qualifications and experience of staff of the accounting and finance department and internal audit department, and their training programmes and budget.

During the course of audit performed by the external auditors, they reported on the weaknesses of the Group's risk management, internal control and accounting procedures which came to their attention.

The Directors, through the audit committee of the Company, reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group, at least annually, for the year ended 31 December 2025. After such review, the Board considered that the Company's enhanced internal control system was adequate and effective.

Handling of Inside Information

With a view to identifying, handling and disseminating inside information in compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), procedures including notification of regular blackout period and securities dealing restrictions to relevant Directors and employees, identification of project by code name and dissemination of information to stated purpose and on a need-to-know basis have been implemented by the Group to guard against possible mishandling and/or unauthorised use of inside information within the Group.

(C) COMMUNICATIONS WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company has established and maintained various channels of communication with the Company's shareholders and the public to ensure that they are kept abreast of the Company's latest news and business development. Information relating to the Company's financial results, corporate details, property projects and major events are disseminated through publications of interim and annual reports, announcements, circulars, press release and newsletters. The Board believes that effective investor relations can contribute towards lower cost of capital, higher market liquidity for the Company's stock and a more stable shareholder base. Therefore, the Company is committed to maintaining a high level of corporate transparency and following a policy of disclosing relevant information to shareholders, investors, analysts and bankers in a timely manner. Keeping them aware of our corporate strategies and business operations is one of the key missions of our investor relations team.

The general meetings are valuable forums for direct communications between the Board and shareholders. The Directors and members of various Board committees will attend the general meetings of the Company. Shareholders can raise questions directly to the Board in respect of the performance and future development of the Group. At other times, Shareholders and investors can put enquires by writing to the Company for the attention of an Executive Director, or the Company Secretary, whose contact channels are set out below. The shareholder communication policy encourages all forms of communication and welcomes feedback, questions, or concerns from shareholders and aims to ensures that shareholders are provided with timely access to the Company's information. The policy has been and will be reviewed and updated periodically to remain relevant and effective.

Shareholders may put forward their written enquiries to the Board. In this regard, the Shareholders may send those enquiries or requests as mentioned to the following:

Address: 30/F, The Centre, No. 99 Queen's Road Central, Central, Hong Kong

Fax: (852) 3900 0990

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Pursuant to the code provisions of the CG Code, in respect of each substantially separate issue at a general meeting, a separate resolution should be proposed by the chairman of that meeting. The chairman of the Board should attend the AGM and invite for the chairman of the Audit Committee, Remuneration Committee and Nomination Committees any other committee (as appropriate) or in the absence of the chairman of such committees, another member of the committee or failing this his duly appointed delegate, to be available to answer questions at the AGM. The chairman of the independent Board committee (if any) should also be available to answer questions at any general meeting to approve a connected transaction or any other transaction that is subject to independent shareholders' approval. The Company would arrange for the notice to shareholders to be sent in the case of AGM at least 20 clear business days before the meeting and to be sent at least 10 clear business days in the case of all other general meetings. The chairman of a meeting should at the commencement of the meeting ensure that an explanation is provided of the detailed procedures for conducting a poll and answer any questions from shareholders on voting by way of a poll.

Shareholder(s) holding not less than one-twentieth of the paid up capital of the Company can make a requisition to convene an extraordinary general meeting. The requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited at the registered office of the Company. Besides, Section 115A of the Companies Ordinance of Hong Kong provides that (i) shareholder(s) representing not less than one-fortieth of the total voting rights of all shareholders of the Company or (ii) not less than 50 shareholders holding the shares in the Company on which there has been paid up an average sum of not less than HK$2,000 per shareholder can put forward proposals for consideration at a general meeting of the Company by depositing a requisition in writing signed by the relevant shareholder(s) at the registered office of the Company.

There are no provisions allowing shareholders to putting forward proposals at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders who wish to put forward proposals may follow the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures are set out in the above paragraph.

The constitutional documents of the Company are available on the websites of the Company and the Stock Exchange.

(D) DIVIDEND POLICY

Purpose

This Dividend Policy (the "**Policy**") sets out the principles and guidelines that the Company will apply when considering the declaration and payment of dividends to the shareholders of the Company.

Principles and Guidelines

The Company may, subject to the Cayman Companies Law, from time to time in general meeting declare dividends in any currency to be paid to the shareholders of the Company but no dividend shall be declared in excess of the amount recommended by the Board.

The Board may from time to time determine to pay to the shareholders of the Company such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes, the Board may determine to pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights and may also pay any fixed dividend which is payable on any shares of the Company half-yearly or on any other dates, whenever such profits, in the opinion of the Board, justifies such payment.

The Board has the discretion to declare dividends to the shareholders of the Company, subject to the articles of the association of the Company and all applicable laws and regulations, taking into account the factors set out below:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- taxation considerations;
- any contractual, statutory and regulatory restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

The Board will review this Policy as appropriate from time to time. The Company confirmed that all decisions made by the Directors in respect of dividends are in compliance with this Policy.

(E) CHANGE IN CONSTITUTIONAL DOCUMENTS

There was no change in the Group's constitutional documents during the year ended 31 December 2025.

(F) GOING CONCERN BASIS

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 immediately 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, having considered the measures and plans being taken by the Group, are of the opinion that the Group would be able to continue as a going concern.

The Board has discussed the going concern issue with the Group's management and is satisfied that with the orderly implementation of the measures and plans, it would be appropriate to prepare the consolidated financial statements on a going concern basis.

The Audit Committee has discussed with the Board and the Group's management regarding the going concern issue, and with the orderly implementation of the measures and plans, agreed with the position taken by the Group's management and the Board regarding the accounting treatment adopted by the Company.

The Audit Committee also discussed and understood the concerns of the Auditor that uncertainties exist as to whether the Group's management will be able to attain the measures and plans. There is no disagreement by the Board, the Group's management nor the Audit Committee with the position taken by the Auditor regarding the going concern issue.

REPORT OF THE DIRECTORS

The Board presents the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company, and its subsidiaries 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 activities and particulars of the Company's subsidiaries are set out in note 55 to the consolidated financial statements. An analysis of the Group's turnover and operating profit for the year by principal activities is set out in note 6 to the consolidated financial statements.

BUSINESS REVIEW

The business objectives of the Group are to develop its business and achieve sustainable growth of its business. A review of the businesses of the Group during the year using the key performance indicators and a discussion on the Group's future business development are provided in the section headed "Management Discussion and Analysis — Financial Review" in this report. Description of key risk factors and uncertainties that the Group is facing are provided in the section headed "Management Discussion and Analysis — Principal Risks and Uncertainties".

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statements of profit or loss and other comprehensive income on pages 102 to 103 in this annual report.

DIVIDENDS

The Board does not recommend the payment of any dividend for the year ended 31 December 2025, taking into account the current financial conditions of the Group. The Company will continue to strive to create long-term value for its shareholders through methods such as improving operating performance. None of the Shareholders has waived or agreed to waive any dividend.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant, and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 38 to the consolidated financial statements.

ISSUE OF NEW SHARES IN CONNECTION WITH OFFSHORE DEBT RESTRUCTURING

In connection with the offshore debt restructuring, the Company and the members of the AHG entered into a work fee letter pursuant to which a portion of the AHG work fee in the amount of US$26,884,818 shall be paid by way of the allotment and issue of Shares at HK$0.1 per Share by the Company in accordance with the work fee letter. On 1 September 2025, 2,100,000,000 Shares were issued to the members of the AHG.

The AHG Work Fee Shares had an aggregate nominal value of HK$210,000,000 and market value of HK$237,300,000 based on the closing price of HK$0.113 per Share as quoted on the Stock Exchange on the date of the AHG Work Fee Letter.

The issue price of HK$0.1 per Share represented a discount of approximately 11.5% to the closing price of HK$0.113 per Share as quoted on the Stock Exchange on 20 August 2024, being the date of the AHG Work Fee Letter.

REPORT OF THE DIRECTORS

The issue of AHG Work Fee Shares was intended to settle the AHG work fee to facilitate the offshore debt restructuring. There were no cash proceeds from the issue as the Shares were issued to discharge the AHG work fee liability.

ISSUE OF MANDATORY CONVERTIBLE BONDS

On 15 September 2025, the Company issued eight tranches of new zero-coupon mandatory convertible bonds (the "**MCBs**") to the Scheme Creditors as part of the restructuring consideration to discharge the relevant existing debt of the Group. The MCBs did not involve any cash proceeds to the Group.

The principle terms of the MCBs are as follows:

Tranche	Maturity Date	Principal amounts (US$)	Initial Conversion Price	Maximum Number of Conversion Shares	Aggregate Nominal Value of the Conversion Shares (HK$)	Voluntary Conversion Period
A	31 December 2025	300,000,000	HK$4.75	495,789,471	49,578,947.10	N/A
B	31 December 2026	400,000,000	HK$4.75	661,052,631	66,105,263.10	1 October 2026 to 31 December 2026
C	31 December 2027	500,000,000	HK$4.75	826,315,789	82,631,578.90	1 July 2027 to 31 December 2027
D	31 December 2028	800,000,000	HK$4.05	1,550,617,283	155,061,728.30	1 January 2028 to 31 December 2028
E	31 December 2029	800,000,000	HK$4.05	1,550,617,283	155,061,728.30	1 January 2029 to 31 December 2029
F	31 December 2030	1,000,000,000	HK$4.05	1,938,271,604	193,827,160.40	1 January 2030 to 31 December 2030
G	31 December 2031	1,000,000,000	HK$4.05	1,938,271,604	193,827,160.40	1 January 2031 to 31 December 2031
H	31 December 2032	1,886,210,005	HK$4.05	3,655,987,293	365,598,729.30	1 January 2032 to 31 December 2032
	Total	6,686,210,005		12,616,922,958	1,261,692,295.80	

Based on the above initial conversion prices and based on the agreed exchange rate of US$1 = HK$7.85, such MCBs can be converted into a maximum of 12,616,922,958 Shares in aggregate. Each of the initial MCB conversion prices of HK$4.75 per Share for Tranche A, Tranche B and Tranche C of the MCBs and HK$4.05 per Share for Tranche D, Tranche E, Tranche F, Tranche G and Tranche H of the MCBs represents a premium of approximately 4,103.5% and 3,484.1% respectively over the closing price of HK$0.113 per Share as quoted on the Stock Exchange on 20 August 2024, being the date of the restructuring support agreement.

Please refer to the announcements of the Company dated 17 October 2023, 20 August 2024, 13 September 2024, 16 September 2024, 29 November 2024, 11 December 2024, 19 December 2024, 27 January 2025, 7 February 2025, 28 February 2025, 24 March 2025, 28 March 2025, 8 April 2025, 23 May 2025, 13 June 2025, 29 June 2025, 1 September 2025, 12 September 2025 and 15 September 2025 and the circular of the Company dated 29 November 2024 in relation to the restructuring for details.

ISSUE OF NEW SHARES UPON CONVERSION OF MANDATORY CONVERTIBLE BONDS ("MCB")

During the year ended 31 December 2025, a total of 495,789,471 new Shares were issued by the Company following the mandatory conversion of Tranche A MCB with a maturity date of 31 December 2025 and in aggregate principal amount of US$300,000,000.

DILUTIVE IMPACT OF THE CONVERSION OF THE MCB

As at 31 December 2025, following the mandatory conversion of the Tranche A MCB, the Company had seven tranches of MCBs (Tranches B to H) in total remaining. Each of these tranches will expire on 31 December of each year, starting from 2026 and ending in 2032. Assuming full conversion of the MCBs (Tranches B to C) in outstanding principal amount of US$900,000,000 at the minimum conversion price of HK$4.75 and full conversion of the MCBs (Tranches D to H) in outstanding principal amount of US$5,486,210,005 at the minimum conversion price of HK$4.05 per Share, in each case based on the agreed exchange rate of US$1 = HK$7.85, such MCBs can be converted into a maximum of 12,121,133,487 Shares in aggregate.

Such 12,121,133,487 Shares in aggregate represent approximately 126.11% of the total number of Shares in issue as at 31 December 2025 and approximately 55.77% of the total number of Shares in issue as enlarged by the allotment and issue of such conversion shares (assuming no other change in the issued share capital of the Company). Set out below is the dilution effect on the equity interest of the substantial shareholders (within the meaning of the Listing Rules) of the Company if there had been full conversion of the outstanding MCBs as at 31 December 2025:

	As at 31 December 2025		Upon full conversion of the remaining 7 tranches MCBs (Tranches B to H)	
	Number of Shares held	Approximate percentage of shareholding[Note 4]	Number of Shares held	Approximate percentage of shareholding[Note 5]
Chan Nog	1,791,656,738	18.64%	1,791,656,738	8.24%
KWOK Ying Shing	1,791,656,738 Note 1	18.64%	1,791,656,738	8.24%
Da Chang Investment Company Limited ("**Da Chang**")	819,506,003 Note 1	8.53%	819,506,003	3.77%
KS Holdings 1 Limited	819,506,003 Note 1	8.53%	819,506,003	3.77%
Da Feng Investment Company Limited ("**Da Feng**")	970,533,735 Note 2	10.10%	970,533,735	4.47%
Bank of East Asia (Trustees) Limited	970,533,735 Note 2	10.10%	970,533,735	4.47%
Da Zheng Investment Company Limited	963,503,287	10.02%	963,503,287	4.43%
Funde Sino Life Insurance Co., Ltd.	1,537,696,106 Note 3	16.00%	1,537,696,106	7.08%

Notes:

1. Da Chang is wholly owned by KS Holdings 1 Limited, KS Holdings 1 Limited is the trustee of 819,506,003 Shares under a family trust of which Mr. Kwok Ying Shing is the founder and a beneficiary of the trust.

2. 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.

3. 887,995,149 Shares were held by Fund Resources Investment Holding Group Company Limited, which was wholly owned by Funde Sino Life Insurance Co., Ltd. as at 31 December 2025. 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.

4. As at 31 December 2025, the total number of issued shares of the Company was 9,611,257,958 shares.

5. Assuming the issued shares of the Company will be 21,732,391,445 shares (being the sum of 9,611,257,958 issued shares as at 31 December 2025 and 12,121,133,487 MCB conversion shares).

REPORT OF THE DIRECTORS

As calculation based on profit attributable to owners of the Company of approximately RMB52.55 billion for the year ended 31 December 2025, basic earnings per Share amounted to RMB6.801 and diluted earnings per Share amounted to RMB4.585.

The MCBs are mandatorily convertible into Shares upon maturity and will not be redeemed by cash, subject to the terms of the MCBs.

It would be equally financially advantageous for the holders of the MCBs to convert or redeem the MCBs thereunder based on the implied internal rate of return thereof, when the Company's share price approximates to the conversion price in the future.

RESERVES

Details of the movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity. Details of the distributable reserves of the Company as at 31 December 2025 are set out in note 41 to the consolidated financial statements.

BORROWINGS

Details of the borrowings are set out in note 35 to the consolidated financial statements.

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.

EQUITY-LINKED AGREEMENTS

Other than the share option schemes of the Company, details of which are set out in the sections headed "THE 2019 SHARE OPTION SCHEME" and "THE NEW SHARE OPTION SCHEME" of this report, and the MCBs issued by the Company in connection with the offshore debt restructuring, details of which are set out in the section headed "ISSUE OF MANDATORY CONVERTIBLE BONDS" of this report, equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

DIRECTORS

During the year ended 31 December 2025 and up to the date of this report, the Directors were as follows:

Executive Directors

Mr. KWOK Ying Shing
Mr. MAI Fan
Mr. KWOK Hiu Kwan
Ms. LUO Tingting
Mr. SONG Wei
Mr. LIU Lihao
Mr. LI Haiming (resigned on 5 January 2026)

Independent Non-Executive Directors

Mr. ZHANG Yizhao
Mr. RAO Yong
Mr. LIU Xuesheng
Mr. LI Dapeng (appointed on 31 March 2025)

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

The biography of all the Directors and members of the senior management of the Company are set out on pages 60 to 63.

DIRECTOR'S SERVICE CONTRACTS

Each of the executive Directors has entered into service contract with the Company for a term of three years, and which will continue thereafter until terminated by either party thereto giving to the other party not less than three months' prior notice in writing. Each of the non-executive Directors and the independent non-executive Directors has entered into letter of appointment with the Company and is appointed for a period of one year commencing on the date of appointment, which shall be automatically extended for another one year upon expiration of the letter of appointment, and subject to re-election at the Company's general meeting, and such letter of appointment could be terminated by giving not less than three months' prior notice in writing. None of the Directors has entered into a service contract with the Company which is not determinable within one year without payment of compensation other than statutory compensation.

THE 2019 SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 November 2009 (the "**2019 Share Option Scheme**"), which expired in 2019. A summary of the principal terms of the 2019 Share Option Scheme is set out as follows:

(1) Purpose of the 2019 Share Option Scheme

The purpose of the 2019 Share Option Scheme was to enable the Company to grant options of the Company to Eligible Participants with the view to achieving the following objectives.

(i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and

(ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Participants of the 2019 Share Option Scheme

Participants of the 2019 Share Option Scheme included any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries, any directors (including non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries and any suppliers, customers, consultants, advisers and agents to the Company or any of its subsidiaries (the "**Eligible Participants**").

(3) Total number of Shares available for issue under the 2019 Share Option Scheme

The maximum number of Shares in respect of which options could be granted under the 2019 Share Option Scheme may not exceed 10% of the number of shares in issue on the adoption of the scheme, unless with the prior approval from the shareholders of the Company. The 2019 Share Option Scheme limit was refreshed at the extraordinary general meeting held on 31 March 2014. As at 31 December 2025, the number of outstanding options under the 2019 Share Option Scheme was 134,422,010 Shares. The total number of Shares available for issue under the 2019 Share Option Scheme is 134,422,010 shares, representing approximately 1.40% of the issued share capital of the Company as at the date of this report.

REPORT OF THE DIRECTORS

During the year ended 31 December 2025, no share option was granted, exercised, nor lapsed in accordance with the terms of the scheme.

(4) Maximum entitlement of each Eligible Participant

Unless approved by the shareholders of the Company, the maximum number of Shares issued and to be issued upon exercise of the options pursuant to the 2019 Share Option Scheme and any other share option schemes of the Company to each participant of the 2019 Share Option Scheme in any 12-month period up to and including the date of grant of the options may not exceed 1% of the total number of Shares in issue as at the date of grant.

(5) Period within which the securities must be taken up under an option

The period within which the options must be exercised was specified by the Company at the time of grant, provided that such period of time did not exceed a period of ten years commencing on the date on which the Share option was deemed to be granted and accepted.

(6) Vesting Period

The vesting period of any share options granted under the 2019 Share Option Scheme must not be more than 10 years commencing on the date of grant.

(7) Payment on acceptance of option offer

HK$1.00 was payable by the Eligible Participant of the 2019 Share Option Scheme to the Company upon acceptance of the option offered as consideration for the grant.

(8) Basis of determining the subscription price

The subscription price per Share under the 2019 Share Option Scheme was determined by the Board and notified to each Eligible Participant and could be no less than the highest of (i) the official closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant; (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

(9) Termination of the 2019 Share Option Scheme

The 2019 Share Option Scheme remained valid until 14 June 2019 after which no further options may be granted under the 2019 Share Option Scheme. In respect of all options which remained exercisable on such date, the provisions of the 2019 Share Option Scheme remained in full force and effect. The summary below sets out the details of the outstanding options as at 31 December 2025 pursuant to the 2019 Share Option Scheme:

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (adjusted) (HKD)	Balance as at 1 January 2025	Granted during the year ended 31 Dec 2025	Exercised during the year ended 31 Dec 2025	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Lapsed during the year ended 31 Dec 2025	Cancelled during the year ended 31 Dec 2025	Balance as at 31 Dec 2025
Directors											
MAI Fan	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	2,064,855	–	–	–	–	–	2,064,855
		3.27	19 July 2019 to 18 July 2027	3.44	2,064,854	–	–	–	–	–	2,064,854
		3.27	19 July 2020 to 18 July 2027	3.44	2,064,854	–	–	–	–	–	2,064,854
		3.27	19 July 2021 to 18 July 2027	3.44	4,129,708	–	–	–	–	–	4,129,708
LI Haiming (resigned on 5 January 2026)	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	1,445,398	–	–	–	–	–	1,445,398
		3.27	19 July 2019 to 18 July 2027	3.44	1,445,398	–	–	–	–	–	1,445,398
		3.27	19 July 2020 to 18 July 2027	3.44	1,445,398	–	–	–	–	–	1,445,398
		3.27	19 July 2021 to 18 July 2027	3.44	2,890,796	–	–	–	–	–	2,890,796
RAO Yong	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	289,079	–	–	–	–	–	289,079
		3.27	19 July 2019 to 18 July 2027	3.44	289,080	–	–	–	–	–	289,080
		3.27	19 July 2020 to 18 July 2027	3.44	289,080	–	–	–	–	–	289,080
		3.27	19 July 2021 to 18 July 2027	3.44	578,159	–	–	–	–	–	578,159

REPORT OF THE DIRECTORS

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (adjusted) (HKD)	Balance as at 1 January 2025	Granted during the year ended 31 Dec 2025	Exercised during the year ended 31 Dec 2025	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Lapsed during the year ended 31 Dec 2025	Cancelled during the year ended 31 Dec 2025	Balance as at 31 Dec 2025
ZHANG Yizhao	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	289,079	–	–	–	–	–	289,079
		3.27	19 July 2019 to 18 July 2027	3.44	289,080	–	–	–	–	–	289,080
		3.27	19 July 2020 to 18 July 2027	3.44	289,080	–	–	–	–	–	289,080
		3.27	19 July 2021 to 18 July 2027	3.44	578,159	–	–	–	–	–	578,159
LIU Xuesheng	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	247,782	–	–	–	–	–	247,782
		3.27	19 July 2019 to 18 July 2027	3.44	247,783	–	–	–	–	–	247,783
		3.27	19 July 2020 to 18 July 2027	3.44	247,783	–	–	–	–	–	247,783
		3.27	19 July 2021 to 18 July 2027	3.44	495,565	–	–	–	–	–	495,565
SONG Wei	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	1,651,886	–	–	–	–	–	1,651,886
		3.27	19 July 2019 to 18 July 2027	3.44	1,651,886	–	–	–	–	–	1,651,886
		3.27	19 July 2020 to 18 July 2027	3.44	1,651,886	–	–	–	–	–	1,651,886
		3.27	19 July 2021 to 18 July 2027	3.44	3,303,759	–	–	–	–	–	3,303,759
LIU Lihao	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	825,942	–	–	–	–	–	825,942
		3.27	19 July 2019 to 18 July 2027	3.44	825,942	–	–	–	–	–	825,942
		3.27	19 July 2020 to 18 July 2027	3.44	825,942	–	–	–	–	–	825,942
		3.27	19 July 2021 to 18 July 2027	3.44	1,651,882	–	–	–	–	–	1,651,882

Grantee	Date of grant	Closing price of the securities immediately before the date on which the options were granted (HKD per share)	Exercise Period	Exercise Price (adjusted) (HKD)	Balance as at 1 January 2025	Granted during the year ended 31 Dec 2025	Exercised during the year ended 31 Dec 2025	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Lapsed during the year ended 31 Dec 2025	Cancelled during the year ended 31 Dec 2025	Balance as at 31 Dec 2025
Other Employees	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	14,464,302	–	–	–	–	–	14,464,302
		3.27	19 July 2019 to 18 July 2027	3.44	14,412,681	–	–	–	–	–	14,412,681
		3.27	19 July 2020 to 18 July 2027	3.44	14,877,274	–	–	–	–	–	14,877,274
		3.27	19 July 2021 to 18 July 2027	3.44	35,949,116	–	–	–	–	–	35,949,116
	12 April 2019 (Note 2)	3.69	12 April 2020 to 13 April 2029	3.58	4,129,709	–	–	–	–	–	4,129,709
		3.69	12 April 2021 to 13 April 2029	3.58	4,129,709	–	–	–	–	–	4,129,709
		3.69	12 April 2022 to 13 April 2029	3.58	4,129,709	–	–	–	–	–	4,129,709
		3.69	12 April 2023 to 13 April 2029	3.58	8,259,415	–	–	–	–	–	8,259,415
Total					134,422,010	–	–	–	–	–	134,422,010

As at 31 December 2025, a total of 134,422,010 outstanding options were exercisable under the 2019 Share Option Scheme.

Notes:

1. The granted share options are divided into four tranches for a period of 48 months from the date of grant (i.e. 19 July 2017). Up to 20% of the granted share options were vested on 19 July 2018, up to 40% of the granted share options were vested on 19 July 2019, up to 60% of the granted share options were vested on 19 July 2020 and all the remaining granted share options were vested on 19 July 2021.

2. The granted share options are divided into four tranches for a period of 48 months from the date of grant (i.e. 12 April 2019). Up to 20% of the granted share options were vested on 12 April 2020, up to 40% of the granted share options were vested on 12 April 2021, up to 60% of the granted share options will be vested on 12 April 2022 and all the remaining granted share options were vested on 12 April 2023.

THE NEW SHARE OPTION SCHEME

The Company adopted a new share option scheme on 14 June 2019 (the "**New Share Option Scheme**"). A summary of the principal terms of the New Share Option Scheme is set out as follows:

(1) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to enable the Company to grant New Share Options (as defined below) to New Eligible Participants with the view to achieving the following objectives.

(i) motivate the New Eligible Participants (as defined below) to optimise their performance efficiency for the benefit of the Group; and

(ii) attract and retain or otherwise maintain an on-going business relationship with the New Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(2) Participants of the New Share Option Scheme

Participants of the New Share Option Scheme include any full-time or part-time employees, executives, officers or directors (including non-executive directors and independent non-executive directors) who, in the sole opinion of the Board, will contribute or have contributed to the Group (the "**New Eligible Participants**").

(3) Total number of Shares available for issue under the New Share Option Scheme

The maximum number of Shares in respect of which New Share Options may be granted under the New Share Option Scheme and options under the other schemes of the Company is 10% of the total number of Shares in issue on the Adoption Date, unless approval has been obtained from the shareholders of the Company, and adjusted for Right Issue in May 2021. As at 1 January 2025 and 31 December 2025, the maximum number of the Shares available for issue upon exercise of all New Share Options which may be granted under the New Share Option Scheme was 607,781,570 shares.

During the year ended 31 December 2025, no share option was granted, exercised, cancelled nor lapsed under the New Share Option Scheme. As at 31 December 2025, there were no outstanding share options under the New Share Option Scheme. The total number of Shares available for issue under the New Share Option Scheme is 607,781,570, representing approximately 6.32% of the issued shares as at the date of this report.

(4) Maximum entitlement of each Participant

Unless approved by the shareholders of the Company, the maximum number of Shares in respect of which New Share Options may be granted under the New Share Option Scheme to each New Eligible Participant shall not, when aggregated with (a) any Shares issued upon exercise of New Share Options granted under the New Share Option Scheme or options under the other schemes which have been granted to that New Eligible Participant; (b) any Shares which would be issued upon the exercise of outstanding New Share Options granted under the New Share Option Scheme or options under the other schemes granted to that New Eligible Participant; and (c) any cancelled shares which were the subject of New Share Options granted under the New Share Option Scheme or options under the other schemes which had been granted to and accepted by that New Eligible Participant, in any 12-month period up to and including the date of grant of the options shall not exceed 1% of the total number of Shares in issue as at the date of grant.

(5) Period within which the securities must be taken up under a New Share Option

The period within which the New Share Options must be exercised will be specified by the Company at the time of grant, provided that such period of time shall not exceed a period of ten years commencing on the date on which the New Share Option is deemed to be granted and accepted.

(6) Vesting Period

The vesting period of any share options granted under the New Share Option Scheme must not be more than 10 years commencing on the date of grant.

(7) Payment on acceptance of New Share Option offer

HK$1.00 is payable by the New Eligible Participant of the New Share Option Scheme to the Company upon acceptance of the New Share Option offered as consideration for the grant.

(8) Basis of determining the exercise price

The exercise price per Share under the New Share Option Scheme is determined by the Board in its absolute discretion but in any event must be at least the higher of: (i) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of on which such New Share Option is offered in writing (the "**Offer Date**"); (ii) the average of the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share, provided that for the purpose of determining the exercise price where the Shares have been listed on the Stock Exchange for less than five (5) Business Days preceding the Offer Date, the issue price of the Shares in connection with such listing shall be deemed to be the closing price of the Shares for each Business Day falling within the period before the listing of the Shares on the Stock Exchange.

(9) Remaining life of the New Share Option Scheme

The New Share Option Scheme will remain valid until 14 June 2029 after which no further New Share Options shall be offered (i.e. the remaining life of the scheme as at the date of this annual report is approximately 3 years and 2 months). However, the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of this New Share Option Scheme and the New Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

The number of options available for grant under the Scheme Mandate Limit of the New Share Option Scheme, being the scheme under which shares may be issued in respect of options to be granted, as at 1 January 2025 and 31 December 2025 were both 607,781,570. Service provider sublimit is not applicable.

During the year ended 31 December 2025, no option was granted under any of the share schemes of the Company. The number of shares that may be issued in respect of options granted under all share schemes of the Company during the year ended 31 December 2025 divided by the weighted average number of shares in issue for the year ended 31 December 2025 was therefore not applicable.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

Directors' and Chief Executive's Interests in Securities

As at 31 December 2025, the interests and short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

REPORT OF THE DIRECTORS

(i) Long/short positions in the Shares:

Name of Company	Name of Director	Number of ordinary Shares held					Approximate percentage of the total number of shares in issue
		Personal Interest	Family Interest	Interest in controlled corporation	Interest in trust	Total	
Kaisa Group Holdings Ltd.	KWOK Ying Shing	–	1,617,000 (L)	–	1,790,039,738 (Note 1)	1,791,656,738 (L)	18.64%
	MAI Fan	238,000 (L)	–	–	–	238,000 (L)	0.00%
	ZHANG Yizhao	9,500,000 (L)	–	–	–	9,500,000 (L)	0.10%
Kaisa Prosperity Holdings Limited	KWOK Ying Shing	–	–	258,250 (L)	–	258,250 (L)	0.17%
Kaisa Health Group Holdings Limited	KWOK Ying Shing	–	2,020,000 (L)	308,000,000 (L)	–	310,020,000 (L)	6.15%
Kaisa Capital Investment Holdings Limited	KWOK Ying Shing	–	275,600,000 (L)	–	–	275,600,000 (L)	26.0%

Notes:

1. For further details, please refer to Note 2 and 3 to the table under the section headed "SUBSTANTIAL SHAREHOLDERS".

2. The percentages were calculated based on Shares in issue of the corresponding entity as at 31 December 2025.

(ii) Long positions in the underlying Shares:

Name of Director	Capacity	Number of underlying Shares	Approximate percentage of the issued share capital of the Company (Note) %
MAI Fan	Beneficial owner	10,324,271	0.11%
LI Haiming (resigned on 5 January 2026)	Beneficial owner	7,226,990	0.08%
SONG Wei	Beneficial owner	8,259,417	0.09%
LIU Lihao	Beneficial owner	4,129,708	0.04%
RAO Yong	Beneficial owner	1,445,398	0.02%
ZHANG Yizhao	Beneficial owner	1,445,398	0.02%
LIU Xuesheng	Beneficial owner	1,238,913	0.01%

Note:

Each of the directors is deemed to be interested in the underlying shares of the Company within the meaning of Part XV of the SFO in respect of the share options of the Company granted to him. Further details are set out in the sections headed "THE 2019 SHARE OPTION SCHEME" and "THE NEW SHARE OPTION SCHEME" of this report.

The percentages were calculated based on 9,611,257,958 Shares in issue as at 31 December 2025, assuming all the options granted under the Share Option Scheme have been exercised.

Save for those disclosed above, as at 31 December 2025, none of the Directors or chief executive had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Other than the Share Option Schemes as set out in note 43 to the consolidated financial statements, at no time during the year was the Company, its holding company, or any of its subsidiaries, a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 13 to the consolidated financial statements, no transaction, arrangements or contract of significance to which the Company, its holding company or their subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year ended 31 December 2025.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

No contracts of significance between the controlling shareholder of the Company or any of its subsidiaries and the Group was made during the year ended 31 December 2025.

RELATED PARTY TRANSACTIONS

Significant related party transactions entered by the Group for the year ended 31 December 2025 are set out in note 53 to the consolidated financial statements, which are in compliance with the requirements of the Listing Rules.

REMUNERATION POLICY

The remuneration policy (which includes the payment of the emoluments to the employees) of the employees of the Group is set up by the Remuneration Committee on the basis of the employees' performance, qualifications and experiences. Details of the remuneration of the Directors are set out in note 13 to the consolidated financial statements, having regard to the Company's operating results, individual performance of the Directors and senior management and comparable market statistics. The Company has adopted the share option schemes as an incentive to Directors and eligible employees, details of the share option schemes are set out in the report of the Directors and note 43 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its 5 largest suppliers and sold less than 30% of its goods and services to its 5 largest customers.

At no time during the year ended 31 December 2025, none of the Directors, their close associates or a shareholder of the Company (who to the knowledge of the Directors own more than 5% of the Company's issued share capital) have any interest in any of the Group's five largest suppliers or customers.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, so far as the Directors were aware, persons other than the Directors or chief executive of the Company, who had interests or a short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO are set out as follows:

Name of substantial shareholder	Capacity	Number of shares (Note 1)	Number of underlying shares (%)	Approximate percentage of the issue share capital of the Company (%) (Note 8)
Da Chang Investment Company Limited ("**Da Chang**")	Beneficial owner	819,506,003 (L) (Note 2)	–	8.53%
KS Holdings 1 Limited	Trustee	819,506,003 (L) (Note 2)	–	8.53%
Da Feng Investment Company Limited ("**Da Feng**")	Beneficial owner	970,533,735 (L) (Note 3)	–	10.10%
Bank of East Asia (Trustees) Limited	Trustee	970,533,735 (L) (Note 3)	–	10.10%
Da Zheng Investment Company Limited	Beneficial owner	963,503,287 (L)	–	10.02%
Funde Sino Life Insurance Co., Ltd.	Beneficial owner	1,537,696,106 (L) (Note 4)	–	16.00%
Fund Resources Investment Holding Group Company Limited	Interest in a controlled corporation	887,995,149 (L) (Note 4)	–	9.24%
Elliott Investment Management GP LLC	Investment manager	424,581,098 (L)	941,398,823 (L)	14.21%
Elliott International Special GP, LLC	Interest in a controlled corporation	264,836,505 (L)	666,188,665 (L)	9.69%
Allianz SE	Interest in a controlled corporation	472,101,965 (L) (Note 5)	707,848,071 (L)	12.28%
Pacific Investment Management Company LLC	Investment manager/Interest in a controlled corporation	472,101,965 (L) (Note 5)	707,848,071 (L)	12.28%
Farallon Capital Management, L.L.C.	Investment manager	379,374,929 (L)	837,441,083 (L)	12.66%
Burlington Loan Management DAC	Beneficial owner	296,272,687 (L) (Note 6)	627,848,747 (L)	9.61%
Walkers Global Shareholding Services Limited	Interest in a controlled corporation	296,272,687 (L) (Note 6)	627,848,747 (L)	9.61%
Attestor Value Fund GP Limited	Interest in a controlled corporation	202,628,370 (L) (Note 7)	452,390,009 (L)	6.82%
Attestor Value Master Fund LP	Beneficial owner	202,628,370 (L) (Note 7)	452,390,009 (L)	6.82%
Peters Jan-Christoph	Interest in a controlled corporation	202,628,370 (L) (Note 7)	452,390,009 (L)	6.82%
Amundi Asset Management	Investment manager	157,317,069 (L)	373,204,880 (L)	5.52%
Marshall Wace LLP	Investment manager	18,926,873 (L)	462,718,507 (L)	5.01%

Notes:

1. The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.

2. Da Chang is wholly owned by KS Holdings 1 Limited, KS Holdings 1 Limited is the trustee of 819,506,003 Shares under a family trust of which Mr. Kwok Ying Shing is the founder and a beneficiary of the trust.

3. 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.

4. 887,995,149 Shares were held by Fund Resources Investment Holding Group Company Limited, which was wholly owned by Funde Sino Life Insurance Co., Ltd. as at 31 December 2025. 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.

5. Pacific Investment Management Company LLC is indirectly controlled by Allianz SE.

6. Burlington Loan Management DAC is directly wholly owned by Walkers Global Shareholding Services Limited.

7. Attestor Value Fund GP Limited acts as the general partner of Attestor Value Master Fund LP and Attestor Value Fund GP Limited is indirectly wholly controlled by Peters Jan-Christoph.

8. The percentages were calculated based on 9,611,257,958 shares in issue as at 31 December 2025.

Save for those disclosed above, as at 31 December 2025, to the best of the Directors' knowledge, no other persons had any interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

PERMITTED INDEMNITY PROVISION

Under the Articles, every Director or other officers of the Company acting in relation to any of the affairs of the Company shall be entitled to be indemnified against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of his/her duties in his/her office.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

ENVIRONMENTAL PROTECTION

As a responsible developer, the Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental measures to ensure that the conducting of the Group's business meets the applicable local standards and ethics in respect of environmental protection. The Group puts great emphasis in environmental protection and sustainable development. Through the establishment of an ever-improving management system, enhancement on procedure monitoring, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures have been enhanced to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact on the Group. The Audit Committee is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. As far as the Company is aware, the Group has complied in material respects with the relevant laws and regulations which have a significant impact on the business and operations of the Company during the year ended 31 December 2025.

KEY RELATIONSHIPS WITH THE GROUP'S STAKEHOLDERS

Workplace Quality

The Group believes that the directors, senior management and employees of the Group are instrumental to the success of the Group and that their industry knowledge and understanding of the market will enable the Group to maintain the competitiveness in the market. As such, the share option schemes were adopted by the Company for the purpose of providing incentives and rewards to the Eligible Participants (as defined above) who contributed to the success of the Group's operations.

The Group provides on the-job training and development opportunities to enhance its employees' career progression. Through different trainings, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. The Group also organised staff-friendly activities for employees, such as annual dinner, to promote staff relationship.

The Group provides on providing a safe, effective and congenial working environment. Adequate arrangements, trainings and guidelines are implemented to ensure the working environment is healthy and safe. The Group provided health and safety communications for employees to present the relevant information and raise awareness of occupational health and safety issues. The Group values the health and well-being of its staff. In order to provide employees with health coverage, its employees are entitled to medical insurance benefits.

Relationships with the Group's other stakeholders

The Group placed efforts in maintaining good relationships various financial institutions and banks given that the Group's business is capital intensive and require on-going funding for the development and growth of the Group's business. Further, the Group aims at delivering constantly high standards of quality in the products to its customers in order to stay competitive. Save as disclosed in this report, the Directors are not aware of any material and significant dispute between the Group and its financial institutions and/or customers during the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as at the date of this report.

AUDITOR

Elite Partners CPA Limited resigned as the auditor and the Company appointed ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited) with effect from 31 October 2024 to fill the casual vacancy and to hold office until the conclusion of the next annual general meeting of the Company.

The consolidated financial statements for the year ended 31 December 2025 were audited by ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited). A resolution to re-appoint ZSZH (HK) Fuson CPA Limited (formerly known as SFAI (HK) CPA Limited) as auditor of the Company will be proposed at the forthcoming AGM.

PROFESSIONAL TAX ADVICE RECOMMENDED

The Company is not aware of any tax relief or exemption available to the shareholders of the Company by reason of their respective holding of the Company's securities. If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

Directors' Interests in Competing Business

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2025 and up to and including the date of this annual report.

On behalf of the Board

KWOK Ying Shing
Chairman

Hong Kong, 31 March 2026

INDEPENDENT AUDITOR'S REPORT

中审众环
ZHONGSHENZHONGHUAN

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 102 to 264, which comprise the consolidated statement of financial position as at 31 December 2025, 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards 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, 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 immediately 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.

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.

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 As disclosed in Notes 25 and 26 to the consolidated financial statements, as at 31 December 2025, the Group had properties under development and completed properties held for sale amounted to approximately RMB63,505 million and RMB14,116 million, respectively, 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. 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 values 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: • 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; • To obtain an understanding of the management's process in estimating the future costs to completion for the properties under development; and • 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 As disclosed in Note 19 to the consolidated financial statements, as at 31 December 2025, the Group had investment properties amounted to approximately RMB7,390 million. 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. 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: • To evaluate the competence, capabilities and objectivity of the independent professional valuer; • 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 • 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.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key audit matter	How the matter was addressed in our audit
Impairment of investments in associates and joint ventures As disclosed in Notes 22 and 23 to the consolidated financial statements, as at 31 December 2025, the Group had investments in associates and joint ventures amounted to approximately RMB12,880 million and RMB7,304 million, respectively, 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. 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: • 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; • 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 • 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.

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 HKFRS Accounting Standards 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.

INDEPENDENT AUDITOR'S REPORT

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.

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.

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

Hong Kong, 31 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	**9,500,222**	11,560,734
Cost of sales		**(9,048,386)**	(11,322,837)
Gross profit		**451,836**	237,897
Other income, gains and losses, net	8(a)	**(18,816,094)**	(15,006,119)
Gain on Debt Restructuring	8(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	19	**(471,350)**	(769,560)
Gain (loss) on disposals of subsidiaries, net	45	**18**	(1,137,880)
Impairment loss recognised	9	**(8,078,279)**	(5,533,950)
Operating profit (loss)		**57,114,601**	(24,051,478)
Share of results of associates	22	**(1,493,449)**	(2,121,921)
Share of results of joint ventures	23	**(142,139)**	(965,039)
Finance income	10	**7,011**	19,362
Finance costs	10	**(2,679,107)**	(1,966,489)
Profit (loss) before income tax	11	**52,806,917**	(29,085,565)
Income tax expenses, net	12	**(481,374)**	(143,350)
Profit (loss) for the year		**52,325,543**	(29,228,915)
Profit (loss) for the year attributable to:			
– Owners of the Company		**52,554,898**	(28,533,737)
– Non-controlling interests		**(229,355)**	(695,178)
		52,325,543	(29,228,915)
		RMB per share	RMB per share
Earnings (loss) per share	16		
– Basic		**6.801**	(4.067)
– Diluted		**4.585**	(4.067)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	17	**4,064,514**	4,317,377
Right-of-use assets	18	**390,833**	611,554
Investment properties	19	**7,389,800**	8,409,800
Land use rights	20	**333,899**	364,866
Goodwill and intangible assets	21	**844,105**	875,898
Investments in associates	22	**12,879,827**	14,381,513
Investments in joint ventures	23	**7,304,010**	7,446,149
Financial assets at fair value through profit or loss	24	**641,405**	1,336,990
Deposits and other receivables	28	**8,300**	3,649
Deferred tax assets	37	**1,108,459**	1,111,395
Total non-current assets		**34,965,152**	38,859,191
Current assets			
Properties under development	25	**63,505,030**	73,658,253
Completed properties held-for-sale	26	**14,115,500**	17,531,998
Inventories	27	**313,737**	386,519
Trade receivables, prepayments, deposits and other receivables	28	**30,414,704**	37,497,730
Deposits for land acquisition	29	**2,513,325**	2,483,257
Prepayments for proposed development projects	30	**36,144,399**	36,964,847
Financial assets at fair value through profit or loss	24	**574,614**	907,510
Restricted bank balances and cash	31	**1,054,872**	1,692,711
Cash and bank balances	31	**544,685**	697,649
Total current assets		**149,180,866**	171,820,474
Current liabilities			
Contract liabilities	32	**13,174,530**	18,520,388
Accrued construction costs		**13,099,021**	11,517,764
Other payables	33	**38,483,148**	61,923,817
Income tax payable		**12,967,619**	12,651,233
Lease liabilities	34	**24,698**	145,110
Borrowings	35	**36,152,156**	118,077,834
Convertible bonds	36	**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)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current liabilities			
Other payables	33	**7,395**	4,433
Lease liabilities	34	**70,718**	425,900
Borrowings	35	**47,643,689**	16,995,728
Convertible bonds	36	**983,456**	–
Deferred tax liabilities	37	**2,035,421**	2,159,258
Total non-current liabilities		**50,740,679**	19,585,319
Net assets (liabilities)		**19,446,902**	(31,741,800)
EQUITY			
Share capital	38	**850,316**	613,530
Perpetual capital securities	39	**–**	1,350,054
Share premium	40	**6,457,420**	6,376,801
Reserves	41	**3,610,077**	(48,917,181)
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
Total equity (deficit of equity)		**19,446,902**	(31,741,800)

The consolidated financial statements from pages 102 to 264 were approved and authorised for issue by the board of directors on 31 March 2026 and are signed on behalf of the board by:

Kwok Ying Shing
Director

Mai Fan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Equity attributable to owners of the Company						
	Share capital RMB'000 (note 38)	Share premium RMB'000 (note 40)	Perpetual capital securities RMB'000 (note 39)	Reserves RMB'000 (note 41)	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 (expense) 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 45(a))	–	–	–	–	–	(41,937)	(41,937)
Capital injection from non-controlling interests, 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 43(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)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Equity attributable to owners of the Company						
	Share capital RMB'000 (note 38)	Share premium RMB'000 (note 40)	Perpetual capital securities RMB'000 (note 39)	Reserves RMB'000 (note 41)	Subtotal RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025	**613,530**	**6,376,801**	**1,350,054**	**(48,917,181)**	**(40,576,796)**	**8,834,996**	**(31,741,800)**
Profit (loss) for the year	–	–	–	**52,554,898**	**52,554,898**	**(229,355)**	**52,325,543**
Other comprehensive (expenses) income for the year	–	–	–	**(27,464)**	**(27,464)**	**4,674**	**(22,790)**
Total comprehensive income (expense) for the year	–	–	–	**52,527,434**	**52,527,434**	**(224,681)**	**52,302,753**
Changes in ownership interests in subsidiaries without losing control	–	–	–	**(176)**	**(176)**	–	**(176)**
Derecognition upon Debt Restructuring (notes 2.1, 8(b) and 39)	–	–	**(1,350,054)**	–	**(1,350,054)**	–	**(1,350,054)**
Issue of shares upon Debt Restructuring (notes 2.1, 8(b) and 38)	**191,520**	**82,354**	–	–	**273,874**	–	**273,874**
Issue of shares upon conversion of Tranche A MCB (notes 36 and 38)	**45,266**	**(1,735)**	–	–	**43,531**	–	**43,531**
Dividend paid to non-controlling interests of subsidiaries	–	–	–	–	–	**(81,226)**	**(81,226)**
As at 31 December 2025	**850,316**	**6,457,420**	–	**3,610,077**	**10,917,813**	**8,529,089**	**19,446,902**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Cash flow from operating activities		
Profit (loss) before income tax	**52,806,917**	(29,085,565)
Adjustments for:		
Depreciation of property, plant and equipment	**234,256**	268,546
Depreciation of right-of-use assets	**63,753**	68,085
Depreciation of land use rights	**12,961**	13,410
Amortisation of intangible assets	**31,793**	40,625
Fair value loss of investment properties, net	**471,350**	769,560
Impairment loss recognised for property, plant and equipment	**100,000**	270,000
Gain on early termination of leases contracts	**(357,928)**	–
Loss on deregistration of associates	**–**	834
Impairment loss on investments in associates	**–**	252,353
Impairment loss on goodwill	**–**	24,378
Interest income	**(7,011)**	(19,362)
Interest expense	**2,679,107**	1,966,489
(Gain) loss on disposal of property, plant and equipment	**(70,870)**	699,080
Gain on disposal of financial assets at FVTPL	**(7,731)**	–
Gain on Debt Restructuring, net	**(85,373,896)**	–
Loss on disposal of investment properties	**77,222**	107,712
Net exchange (gains) losses	**(1,184,205)**	1,516,440
Net fair value loss on financial assets at FVTPL	**912,075**	253,165
Net (gain) loss on disposals of subsidiaries	**(18)**	1,137,880
Fair value gain on MCBs	**(714,130)**	–
Impairment loss recognised for financial assets	**8,287,023**	5,606,275
Share of results of associates	**1,493,449**	2,121,921
Share of results of joint ventures	**142,139**	965,039
Share-based payments	**–**	2,786
Impairment loss reversed for financial liabilities in respect of financial guarantees	**(208,744)**	(72,325)
Impairment loss recognised for properties under development and completed properties held for sale	**19,992,553**	11,297,601
	(619,935)	(1,795,073)
Changes in working capital:		
Changes in inventories	**72,782**	(7,762)
Changes in properties under development and completed properties held for sale	**3,353,607**	698,719
Changes in trade receivables, deposits and other receivables	**(1,802,687)**	(285,285)
Changes in deposits for land acquisition	**(30,068)**	(57,935)
Changes in prepayments for proposed development projects	**820,680**	(409,441)
Changes in restricted cash	**604,537**	698,697
Changes in contract liabilities	**(5,345,858)**	(1,629,412)
Changes in accrued construction costs	**1,581,257**	4,118,288
Changes in other payables	**2,538,894**	(982,297)
Cash generated from operations	**1,173,209**	348,499
Income tax paid	**(285,035)**	(201,499)
Interest paid	**(51,198)**	(271,815)
Net cash generated from (used in) operating activities	**836,976**	(124,815)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 RMB'000	2024 RMB'000
Cash flows from investing activities		
Additions to property, plant and equipment	**(73,038)**	(190,412)
Additions to intangible assets	**–**	(1,172)
Acquisitions of financial assets at FVTPL	**(2,028)**	(7,320)
Acquisitions of subsidiaries, net of cash acquired	**1**	127,494
Changes in amounts due from associates	**(133,301)**	462,444
Changes in amounts due from joint ventures	**156,819**	254,384
Changes in amounts due from non-controlling interest of a subsidiary	**30,212**	(5,902)
Changes in investment in associates	**–**	(144)
Disposal of investments in associates	**–**	261,598
Cash outflow from disposals of subsidiaries	**(3)**	(9,232)
Deregistration of subsidiaries	**–**	(1,040)
Dividend income received from associates	**3,377**	–
Interest received	**7,011**	19,362
Changes in consideration payables related to acquisitions of subsidiaries	**–**	(15,352)
Changes in consideration payables related to acquisitions of associates and joint ventures	**(400)**	–
Proceeds from disposals of financial assets at FVTPL	**164,259**	87,805
Proceeds from disposals of property, plant and equipment	**75,004**	–
Net cash generated from investing activities	**227,913**	982,513
Cash flows from financing activities		
Capital injection by non-controlling interests	**–**	664
Changes in amounts due to associates	**(29,561)**	122,734
Changes in amounts due to joint ventures	**44,954**	(176,428)
Changes in restricted cash relating to borrowings	**33,302**	14,876
Changes in amounts due to non-controlling interests of subsidiaries	**(303)**	(704)
Proceeds from bank and other borrowings	**1,000**	64,556
Payment of lease liabilities	**(66,362)**	(93,511)
Repayments of bank and other borrowings	**(1,052,193)**	(1,043,140)
Costs paid for the debt restructuring	**(202,352)**	–
Dividend paid to non-controlling interests of subsidiaries	**(81,226)**	(22,746)
Net cash used in financing activities	**(1,352,741)**	(1,133,699)
Net decrease in cash and cash equivalents	**(287,852)**	(276,001)
Cash and cash equivalents at the beginning of the year	**697,649**	994,771
Exchange adjustments	**134,888**	(21,121)
Cash and cash equivalents at the end of the year, represented by cash and bank balances	**544,685**	697,649

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

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

Since December 2021, 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 debt restructuring of the Group's identified significant offshore indebtedness (i.e. the "In-Scope Debt", including certain senior notes and offshore loans, the perpetual capital securities, certain financial guarantee contracts granted by the Company and the related accrued interest payable 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.

Pursuant to the terms of the Schemes, the obligations of the Group's In-Scope Debt were comprised in exchange for the affected creditors (the "Scheme Creditors") received various instruments, shares and cash in the Company and the Group (the "Debt 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").

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

2.1 Debt 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 Debt Restructuring are as follows:

(1) Debt Restructuring Consideration

The debt restructuring consideration (the "Debt 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 New Note;
- Tranche B: US$600 million New Note;
- Tranche C: US$1,000 million New Note;
- Tranche D: US$1,200 million New Note;
- Tranche E: US$1,800 million New Note; and
- Tranche F: approximately US$1,686.2 million New Note; comprising (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.

Accordingly, a total of approximately US$6,686.2 million New Notes were issued on 15 September 2025 pursuant to the Scheme as described in Note 35(b).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

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

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

(1) Debt 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 MCB;
- Tranche B: US$400 million MCB;
- Tranche C: US$500 million MCB;
- Tranche D: US$800 million MCB;
- Tranche E: US$800 million MCB;
- Tranche F: US$1,000 million MCB;
- Tranche G: US$1,000 million MCB; and
- Tranche H: approximately US$1,886.2 million MCB; comprising (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.

Accordingly, a total of approximately US$6,686.2 million MCBs were issued on 15 September 2025 pursuant to the Scheme as described in Note 36.

c. The Consent Fee was paid in the form of Tranche A New Notes, maturing on 28 December 2027. According to the Proposed Amendments to Tranche A New Notes dated 12 August 2025, the parties have agreed to amend the interest rate applicable to the Tranche A New Notes for the interest paid on 28 December 2025 from 5.00%/6.00% to 6.721%/7.721% to ensure compliance with mandatory regulations enacted by the relevant authority. Furthermore, the minimum cash interest payment due on 28 December 2025 will be increased from 0.35% to 0.361% to fully absorb the value of the Consent Fee.

d. Issuance of 2,100 million ordinary shares of the Company (the "AHG Work Fee Shares") as described in Note 38(a);

e. AHG Work Fee of cash as described in Note 8(b); and

f. AHG Work Fee Other New Note (the "Other New Notes", together with the New Notes, the "New Senior Notes") were issued on 15 September 2025 that will be matured on 30 November 2027 pursuant to the Scheme as described in Note 35(b).

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

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

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

(1) Debt Restructuring Consideration (Continued)

The New Senior Notes and the MCBs were secured by first ranking security over (i) the amounts outstanding under the RMB115 million shareholder loan advanced by Mr. Kwok Ying Shing; (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 Debt Restructuring Consideration, comprises New Notes, Other New Note, MCBs, AHG Work Fee Shares and AHG Work Fee of cash that were 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 "Cayman Court").

Pursuant to the Company's announcement dated 8 April 2025, on 7 April 2025, the petition seeking sanction of the Rui Jing BVI Scheme from the Eastern Caribbean Supreme Court in the High Court of Justice was heard on 7 April 2025 and, by an order made by the Eastern Caribbean Supreme Court in the High Court of Justice, the Rui Jing BVI Scheme has been sanctioned. Thus, as at 7 April 2025, each of the Schemes (namely the Kaisa Hong Kong Scheme, the Kaisa Cayman Scheme, the Rui Jing Hong Kong Scheme and the Rui Jing BVI Scheme) has been sanctioned.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

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

(e) Completion of the Debt Restructuring

Pursuant to the Company's announcement dated 15 September 2025, the Company announced that each of the Debt Restructuring conditions has been satisfied and the Debt Restructuring effective date occurred on 15 September 2025 (the "Completion Date of the Debt Restructuring") (the "Completion").

The directors of the Company consider that subsequent to the Completion of the holistic Debt Restructuring, all claims of the Scheme Creditors under the In-Scope Debt under the Scheme were fully released and discharged upon the distribution of the Debt Restructuring Consideration to the Scheme Creditors. Thus, a gain on Debt Restructuring amounted to approximately RMB85,373.9 million was recognised which was credited to profit or loss for the year as described in Note 8(b).

The directors of the Company consider that the Completion of the Debt Restructuring (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.

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, 8 April 2025, 23 May 2025, 13 June 2025, 29 June 2025, 1 September 2025 and 12 September 2025 and the Company's circular dated 29 November 2024 in relation to the Debt Restructuring.

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 RMB30,544.5 million (2024: RMB114,157.9 million) were default and/or cross-defaulted with other borrowings, which, as a consequence, would be immediately repayable if and when requested by the respective lenders.

Although the Group has completed its 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).

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 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 described in Notes 35(h), 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 these 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

2.2 Going concern assessment (Continued)

(iv) During the year ended 31 December 2025, the Group's selling and marketing costs 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 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 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

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 Instructments[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 directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the Group's consolidated financial statements in the foreseeable 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 ("MPMs") in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the consolidated 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 *Financial Instruments: Disclosures*. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENT TO HKFRS ACCOUNTING STANDARDS (Continued)

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. 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 HKFRS Accounting Standards as 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:

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

4.1 Basis of preparation of consolidated financial statements (Continued)

- 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.

4.2 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.

When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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)

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 component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the 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.

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 HKFRS Accounting Standards). 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.

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

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 is 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 an annual 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 annual 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 a 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 provided for, and a liability is 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

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 related assets and liabilities.

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 2025

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

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 *Lease* at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

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 unless or another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 lessee (Continued)

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- 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, 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 incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs.

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 2025

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 lessee (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 follows:

- 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 2025

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 Accounting Standards require or permit 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.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share capital and share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

4.2 Material accounting policy information (Continued)

Taxation (Continued)

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.

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. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

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.

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

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 other than properties under construction 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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

4.2 Material accounting policy information (Continued)

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.

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 cost 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 and 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. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

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 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.

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

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 generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the 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, except for a derivative that is 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 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 ECL model on financial assets (including trade receivables, deposits and other receivables, restricted bank balances and cash and cash and bank balances 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 past events and current conditions at the reporting date as well as the forecast of future economic 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.

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

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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, 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 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is 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, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 *Financial Instruments* permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as mandatory convertible bonds, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

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 at amortised cost

Financial liabilities including contract liabilities, accrued construction costs, other payables, lease liabilities and borrowings are subsequently measured at amortised cost, using the effective interest method.

Convertible bonds

The component parts of the convertible loan notes are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability.

If the convertible bonds are converted, the amount previously recognised in equity, together with the carrying amount of the liability component at the time of conversion, are transferred to share capital and share premium a consideration for the shares issued.

If the convertible bonds are redeemed, any difference between the redemption consideration allocated to the liability component and the net carrying amount of the liability component is recognised in profit or loss while the amount previously recognised in equity and the redemption consideration allocated to the equity component are recognised directly to accumulated losses.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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)

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/modification 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.

When an existing financial liability is renegotiated in such a way that the liability is extinguished fully or partially by issuing equity instruments, it is accounted for as an extinguishment of the original financial liability and recognition of equity instrument at the fair value upon issue with the difference between the carrying amount of the financial liability (or part of the financial liability) extinguished and the consideration paid (being the fair value of the equity instruments issued), recognised to profit or loss.

When the contractual terms of financial liability are modified, such as extending the tenure, change in exercise price of the underlying options, the revised terms would result in a substantial modification from the original terms after considering qualitative factors (i.e. modifications of convertible instruments). A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group considers that the terms are substantially different when (i) the terms and conditions of the financial liability has significant change with no additional quantitative analysis or (ii) the terms and conditions of the financial liability has no significant change while the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, the difference between the carrying amount of financial liability derecognised and the fair value of consideration paid or payable, including any liabilities assumed and derivative components recognised, is recognised in profit or loss. The exchange or modification is considered as non-substantial modification when such difference is less than 10%.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

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.

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 cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

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 and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 at least next twelve months from 31 December 2025.

Control over Kaisa Health Group Holdings Limited ("Kaisa Health Group")

As at 31 December 2025, 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.

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 2025 and 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 2025 and 31 December 2024, details of the Group's properties under development and completed properties held for sales are set out in Notes 25 and 26, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 2025 and 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 years ended 31 December 2025 and 31 December 2024 and deferred income tax assets and liabilities are set out in Notes 12 and 37, 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 2025 and 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 2025 and 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 and financial liabilities 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 2025 and 31 December 2024, details of the Group's financial assets and financial liabilities at fair value through profit or loss are set out in Notes 24 and 36, respectively.

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 2025 and 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 among 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 loss on financial assets at FVTPL, net, finance income, finance costs and income tax 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 2025, 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 and corporate borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

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 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 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)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 at 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 2025

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 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	6,143,741	480,314	1,539,697	238,912	197,096	657,859	242,603	9,500,222
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	(26,236,552)	(191,773)	235,690	44,099	22,852	(25,738)	(2,065,174)	(28,216,596)
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								(2,679,107)
Finance costs, net								(2,672,096)
Profits before income tax								52,806,917
Income tax expenses								(481,374)
Profit for the year								52,325,543

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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 2025									
Assets and Liabilities									
Segment assets	**841,881,989**	**33,179,191**	**12,162,037**	**3,773,425**	**10,252,554**	**4,607,207**	**167,566,252**	**(891,855,995)**	**181,566,660**
Unallocated									**2,579,358**
Total consolidated assets									**184,146,018**
Segment liabilities	**755,851,027**	**2,600,245**	**7,784,285**	**3,304,341**	**11,714,216**	**4,097,489**	**164,945,908**	**(884,652,155)**	**65,645,356**
Unallocated									**99,053,760**
Total consolidated liabilities									**164,699,116**
As at and for the year ended 31 December 2025									
Other information:									
Capital expenditure	**5,628**	**68**	**14,009**	**1,860**	**–**	**32,272**	**71,606**	**–**	**125,443**
Depreciation and amortisation:									
– Property, plant and equipment	**117,408**	**15,764**	**5,822**	**16,187**	**2,034**	**3,673**	**73,368**	**–**	**234,256**
– Right-of-use assets	**15,717**	**–**	**17,070**	**–**	**–**	**5,068**	**25,898**	**–**	**63,753**
– Intangible assets	**–**	**–**	**5,100**	**–**	**–**	**26,642**	**51**	**–**	**31,793**
– Land use rights	**3,914**	**–**	**–**	**8,533**	**304**	**210**	**–**	**–**	**12,961**
Impairment loss recognised for properties under development and completed properties held-for-sale	**19,992,553**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**19,992,553**
Impairment loss recognised for financial assets	**6,808,475**	**45,153**	**67,917**	**19,723**	**86,237**	**35,727**	**1,223,791**	**–**	**8,287,023**

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 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.

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 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 services
- 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers		
Sales of properties	**6,143,741**	8,056,756
Provision of property management services	**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
Revenue from other sources		
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 RMB'000	2024 RMB'000
Revenue from contracts with customers		
– 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

(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.

7. REVENUE (Continued)

(b) Contract balances

	Notes	As at 31 December 2025 RMB'000	2024 RMB'000	As at 1 January 2024
Trade receivables	28	**1,105,148**	1,762,498	2,042,751
Less: Allowances		**(206,914)**	(501,956)	(193,708)
		898,234	1,260,542	1,849,043
Contract liabilities	32	**13,174,530**	18,520,388	20,325,482

Details of the Group's trade receivables and contract 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

(a) Other income, gains and losses, net

	2025 RMB'000	2024 RMB'000
Forfeited customer deposits	–	7,865
Unconditional government subsidy income (note below)	**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 leases 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)
Impairments loss recognised for properties under development and completed properties held for sale	**(19,992,553)**	(11,297,601)
Others	**(104,942)**	(618,587)
	(18,816,094)	(15,006,119)

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 were no unfulfilled conditions and other contingencies attached to the receipt of the subsidies.

8. OTHER INCOME, GAINS AND LOSSES, NET AND GAIN ON DEBT RESTRUCTURING (Continued)

(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 (as defined and explained in Notes 35(a), 35(c), 39, 46(a)(iii) and 33(b), respectively) were considered extinguished and were derecognised for accounting purposes, and the issued instruments, including the New Senior Notes, 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, resulting in a gain on Debt Restructuring, net and details of which are as follows:

	Notes	RMB'000
Cash and shares transferred to Scheme Creditors pursuant to the Scheme		
– AHG Work Fee Shares	38(a)	(273,874)
– AHG Work Fee		(56,957)
		(330,831)
New instruments issued to the Scheme Creditors pursuant to the Scheme		
– New Senior Notes	35(b)	(32,691,066)
– MCBs	36	(1,820,584)
		(34,511,650)
Liabilities discharged pursuant to the Scheme		
– Derecognised Senior Notes	35(a)	82,141,177
– Derecognised Offshore Loans	35(c)	176,682
– Derecognised Perpetual Capital Securities	39	1,350,054
– Derecognised Financial Guarantee Contracts	46(a)(iii)	1,781,653
– Derecognised Accrued Interest Payable	33(b)	34,912,206
		120,361,772
		85,519,291
Less: Debt Restructuring costs and expenses		(145,395)
Gain on Debt Restructuring, net		85,373,896

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

9. IMPAIRMENT LOSS RECOGNISED

	2025 RMB'000	2024 RMB'000
Provision for (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)
	8,078,279	5,533,950

10. FINANCE INCOME AND FINANCE COSTS

	2025 RMB'000	2024 RMB'000
Finance income		
Interest income	**7,011**	19,362
Finance costs		
Effective 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

Note: During the year ended 31 December 2025, the borrowing costs have been capitalised at a rate of 9.7% (2024: 9.8%) per annum for the year.

11. PROFIT (LOSS) BEFORE INCOME TAX

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

	2025 RMB'000	2024 RMB'000
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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. INCOME TAX EXPENSES, NET

	2025 RMB'000	2024 RMB'000
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 (note 37)	**(120,901)**	(26,618)
	481,374	143,350

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 2025 and 31 December 2024.

No Hong Kong Profit Tax has been provided for the years ended 31 December 2025 and 2024 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% (2024: 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 2025 and 2024. 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, NET (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 2025 and 31 December 2024.

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:

	2025 RMB'000	2024 RMB'000
Profit (loss) before income tax	**52,806,917**	(29,085,565)
Share of results of associates and joint ventures, net	**1,635,588**	3,086,960
	54,442,505	(25,998,605)
Calculated at PRC enterprise income tax rate of 25% (2024: 25%)	**13,610,626**	(6,499,651)
Effect of different income tax rates of subsidiaries	**369,309**	132,859
Income not subject to tax	**(21,256,682)**	(30,454)
Expenses not deductible for tax purposes	**3,704,848**	258,201
Effect of tax losses/deductible temporary difference not recognised	**3,675,626**	6,204,286
Overprovision in prior years	**(333,066)**	–
PRC Enterprise Income Tax	**(229,339)**	65,241
PRC Land Appreciation Tax	**710,713**	78,109
Income tax expenses	**481,374**	143,350

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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 2024						
Executive directors						
Mr. Kwok Ying Shing (Chairman)	2,857	–	–	–	–	2,857
Mr. Sun Yuenan (Vice Chairman) (note (a))	978	1,419	–	–	–	2,397
Mr. Mai Fan (Vice Chairman and Chief Executive Officer)	1,309	743	–	35	–	2,087
Mr. Li Hai Ming	877	1,227	–	35	–	2,139
Mr. Kwok Hiu Kwan	765	–	–	–	–	765
Ms. Luo Tingting (Note (c))	148	154	–	2	–	304
Mr. Song Wei (Note (c))	151	145	–	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	7,985	3,938	–	76	139	12,138
Year ended 31 December 2025						
Executive directors						
Mr. Kwok Ying Shing (Chairman)	**913**	**–**	**–**	**–**	**–**	**913**
Mr. Mai Fan (Vice Chairman and Chief Executive Officer)	**544**	**392**	**–**	**10**	**–**	**946**
Mr. Li Hai Ming	**378**	**465**	**–**	**10**	**–**	**853**
Mr. Kwok Hiu Kwan	**766**	**–**	**–**	**–**	**–**	**766**
Ms. Luo Tingting	**548**	**375**	**–**	**10**	**–**	**933**
Mr. Song Wei	**456**	**536**	**–**	**10**	**–**	**1,002**
Mr. Liu Lihao	**91**	**816**	**–**	**10**	**–**	**917**
Independent non-Executive directors						
Mr. Rao Yong	**274**	**–**	**–**	**–**	**–**	**274**
Mr. Zhang Yizhao	**274**	**–**	**–**	**–**	**–**	**274**
Mr. Liu Xuesheng	**274**	**–**	**–**	**–**	**–**	**274**
Mr. Li Dapeng (note d)	**206**	**–**	**–**	**–**	**–**	**206**
Total	**4,724**	**2,584**	**–**	**50**	**–**	**7,358**

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.

(d) Mr. Li Di Dapeng was appointed as an independent non-executive director with effect from 31 March 2025.

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 43.

14. FIVE HIGHEST PAID INDIVIDUALS

During the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group for the year included four directors (2024: five) whose emoluments are reflected in note 13. The emoluments for the remaining one (2024: Nil) individual for the year ended 31 December 2025 were as follows:

	2025 RMB'000	2024 RMB'000
Salaries and other benefits	**1,091**	–
Contribution to pension schemes	**10**	–
Discretionary bonus	**–**	–
Share-based payments	**–**	–
	1,101	–

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 2025 and 31 December 2024. No directors or the five highest paid individuals have waived or agreed to waive any emoluments for the years ended 31 December 2025 and 31 December 2024.

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15. 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.

16. EARNINGS (LOSS) PER SHARE

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

Earnings (loss) figures are calculated as follows:

	2025 RMB'000	2024 RMB'000
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	**51,868,997**	(28,533,737)

Number of shares

	2025 (number of shares '000)	2024
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**7,727,164**	7,015,469
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	**11,313,691**	7,015,469

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 and its subsidiaries since their assumed conversion would result in a decrease in loss per share.

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 2024							
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 44(a))	–	–	–	–	153	–	153
Disposals	(748,575)	–	(2,557)	(799)	(5,970)	–	(757,901)
Disposals of subsidiaries (Note 45(a))	–	–	–	–	(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
Year ended 31 December 2025							
Carrying amounts as at 1 January 2025	**2,186,088**	**807,842**	**176,453**	**7,306**	**831,905**	**307,783**	**4,317,377**
Transfer from construction in progress	**–**	**–**	**–**	**–**	**1,650**	**(1,650)**	**–**
Transfer from right-of-use assets	**–**	**–**	**12,120**	**–**	**–**	**–**	**12,120**
Additions	**–**	**–**	**45,491**	**987**	**22,217**	**4,343**	**73,038**
Acquisitions of subsidiaries (Note 44(b))	**–**	**–**	**–**	**–**	**54**	**–**	**54**
Disposals	**–**	**(2,241)**	**(1,627)**	**(87)**	**(179)**	**–**	**(4,134)**
Depreciation (Note 11)	**(108,773)**	**(40,900)**	**(29,171)**	**(2,040)**	**(53,372)**	**–**	**(234,256)**
Impairment (Note 8)	**–**	**(100,000)**	**–**	**–**	**–**	**–**	**(100,000)**
Exchange realignment	**–**	**(1,585)**	**2,428**	**(288)**	**(240)**	**–**	**315**
Carrying amounts as at 31 December 2025	**2,077,315**	**663,116**	**205,694**	**5,878**	**802,035**	**310,476**	**4,064,514**
As at 31 December 2025							
Cost	**2,812,139**	**1,372,315**	**221,944**	**8,293**	**854,122**	**310,476**	**5,579,289**
Accumulated depreciation and impairment	**(734,824)**	**(709,199)**	**(16,250)**	**(2,415)**	**(52,087)**	**–**	**(1,514,775)**
Net carrying amounts	**2,077,315**	**663,116**	**205,694**	**5,878**	**802,035**	**310,476**	**4,064,514**

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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 2025, hotel properties, land and buildings with net carrying amounts of approximately RMB2,740,431,000 (2024: RMB2,993,930,000) 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 settlement of the Group's liabilities.

As at 31 December 2025, there was a land and building with net carrying amount of approximately RMB471,171,000 (2024: RMB605,270,000) 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 RMB2,269,260,000 (2024: RMB2,388,660,000) were located in the PRC and under medium-term lease.

Depreciation expenses were charged to the following categories in the consolidated statement of profit or loss and other comprehensive income:

	2025 **RMB'000**	2024 RMB'000
Cost of sales	**108,730**	112,531
Administrative expenses	**125,526**	156,015
	234,256	268,546

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 RMB100,000,000 (2024: RMB270,000,000) has been recognised that was charged to profit or loss for the year ended 31 December 2025.

18. RIGHT-OF-USE ASSETS

The amount in respect of leases are as follows:

	Office equipment RMB'000	Properties RMB'000	Machinery RMB'000	Total RMB'000
As at 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 and 1 January 2025	**496**	**464,324**	**146,734**	**611,554**
Additions	**161**	**30,819**	**21,425**	**52,405**
Early termination	**–**	**(197,028)**	**–**	**(197,028)**
Transfer to property, plant and equipment	**–**	**–**	**(12,120)**	**(12,120)**
Depreciation	**(487)**	**(44,431)**	**(18,835)**	**(63,753)**
Modification of lease	**–**	**(1,507)**	**–**	**(1,507)**
Exchange realignment	**140**	**60**	**1,082**	**1,282**
As at 31 December 2025	**310**	**252,237**	**138,286**	**390,833**

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 (2024: 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.

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19. INVESTMENT PROPERTIES

	RMB'000
As at 1 January 2024	9,016,710
Transfer from properties under development	501,300
Disposals	(338,650)
Changes in fair value	(769,560)
As at 31 December 2024 and 1 January 2025	**8,409,800**
Transfer to completed properties held for sale	**(47,350)**
Disposals	**(501,300)**
Changes in fair value	**(471,350)**
As at 31 December 2025	**7,389,800**

During the year ended 31 December 2025, the Group derecognised certain investment properties in the amount of approximately RMB501,300,000 (2024:RMB338,650,000) to settle the Group's liabilities, with no fair value change recognised on the date of disposal.

During the year ended 31 December 2024, the 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 capitalisation 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.

	2025		2024	
	Commercial	**Carpark**	Commercial	Carpark
Capitalisation rate	**3.0%-4.75%**	**6.5%**	2.5%-4.75%	6.5%
Expected vacancy rate	**0%-47%**	**N/A**	0%-15%	N/A
Monthly rental	**RMB63-RMB778 per sq. m.**	**RMB2,330 per unit**	RMB70-RMB780 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 2025 and 31 December 2024, the fair value measurement of the Group's investment properties is categorised at level 3. During the years ended 31 December 2025 and 31 December 2024, there were no transfers into or out of level 3.

The Group's investment properties are analysed as follows:

	2025 RMB'000	2024 RMB'000
In the PRC, held under		
– Leases of between 10 to 50 years	**7,389,800**	8,409,800

As at 31 December 2025, investment properties with carrying amounts of RMB7,389,800,000 (2024: RMB8,409,800,000) were pledged as collateral for the Group's borrowings (Note 35).

20. LAND USE RIGHTS

	2025 RMB'000	2024 RMB'000
As at 1 January	**364,866**	379,176
Depreciation, included in administrative expenses (note 11)	**(12,961)**	(13,410)
Disposals	**(18,006)**	(900)
As at 31 December	**333,899**	364,866
In the PRC, held under:		
– Leases of over 50 years	**538**	18,626
– Leases of between 10-50 years	**333,361**	346,240
	333,899	364,866

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 2025, land use rights with net carrying amounts of RMB188,016,000 (2024: RMB194,955,000) were pledged as collateral for the Group's borrowings (Note 35).

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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 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

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 with amortisation period for 5 years and 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 directors of the Company consider that there have no impairment indications for its trademarks and patent, customer relationship, technology, distribution network and other intangible assets.

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 (2024: 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:

	2025 **RMB'000**	2024 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**	140,657
– 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	740,971

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.

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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 2025 and 31 December 2024 for the material segments:

	2025	2024
Healthcare segment		
– Average growth rate within the five-year period	**15% per annum**	15% per annum
– Terminal growth rate	**2% per annum**	3% per annum
– Pre-tax discount rate	**14%**	15%
Property management segment		
– Average growth rate within the five-year period	**0%-4% per annum**	0%-11% per annum
– Terminal growth rate	**2% per annum**	2% per annum
– Pre-tax discount rate	**16%-18%**	12%-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 their carrying values (2024: 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 2024. 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 which is amounted to approximately RMB24,378,000.

Based on the result of the assessment, the management of the Company determined that the recoverable amounts of the other cash generating units that are principally engaged in providing property management service to residential property owner are higher than their respective carrying amounts and thus, no impairment loss was recognised for the year ended 31 December 2025 (2024: nil).

For the goodwill attributable to other segments, based on the result of the assessment, the management of the Company 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 2025 (2024: 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

	2025 RMB'000	2024 RMB'000
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	**(6,968,914)**	(5,467,228)
	12,879,827	14,381,513

The movements of the Group's investments in associates for the years ended 31 December 2025 and 31 December 2024 are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	**14,381,513**	22,254,794
Impairment losses recognised	**–**	(252,353)
Additions	**–**	144
Deregistration	**–**	(4,066,166)
Disposals	**–**	(261,598)
Dividend received	**(3,377)**	–
Capital reduction	**–**	(1,177,027)
Share of results of associates	**(1,493,449)**	(2,121,921)
Share of other comprehensive income (expenses) of associates	**(4,860)**	5,640
As at 31 December	**12,879,827**	14,381,513

As at 31 December 2025 and 31 December 2024, the Group has no share of capital commitments or contingent liability in relation to the Group's associates.

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22. INVESTMENTS IN ASSOCIATES (Continued)

Set out below are details of associates of the Group as at 31 December 2025 and 31 December 2024 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
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 (2024: 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 (2024: Class C: RMB7,598,168,224)	Property development
南京正業置業發展有限公司 (Nanjing Zhengye Property Development Co., Ltd.#, "Nanjing Zhengye")	The PRC	RMB20,000,000 (2024: RMB20,000,000)	49% (2024: 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.

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 RMB'000	Nanjing Zhengye RMB'000
As at 31 December 2024		
Current assets	23,705,726	721,667
Non-current assets	12,725,902	–
Current liabilities	(3,161,516)	(592,166)
Non-current liabilities	(2,215,113)	–
Net assets	31,054,999	129,501
Reconciliation to the Group's interest in the associates:		
Proportion of the Group's ownership	N/A*	49%
Carrying amount of the investment	13,263,363	63,455
Carrying amount of the Group's investment	13,263,363	63,455
Year ended 31 December 2024		
Revenue for the year	2,276,351	131,178
Total expenses for the year	(4,335,138)	(194,275)
Loss for the year	(1,871,230)	(63,097)
Other comprehensive income for the year	4,361	–
Total comprehensive expenses for the year	(1,866,869)	(63,097)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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22. INVESTMENTS IN ASSOCIATES (Continued)

	Trust and Xinyin RMB'000	Nanjing Zhengye RMB'000
As at 31 December 2025		
Current assets	**22,265,298**	**707,548**
Non-current assets	**13,940,734**	**–**
Current liabilities	**(4,344,265)**	**(580,803)**
Non-current liabilities	**(2,164,498)**	**–**
Net assets	**29,697,269**	**126,745**
Reconciliation to the Group's interest in the associates:		
Proportion of the Group's ownership	**N/A***	**49%**
Carrying amount of the investment	**11,980,952**	**62,105**
Carrying amount of the Group's investment	**11,980,952**	**62,105**
Year ended 31 December 2025		
Revenue for the year	**851,274**	**23,924**
Total expenses for the year	**(2,184,448)**	**(26,679)**
Loss for the year	**(1,338,051)**	**(2,756)**
Other comprehensive income for the year	**640**	**–**
Total comprehensive expenses for the year	**(1,337,411)**	**(2,756)**

* 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.

22. INVESTMENTS IN ASSOCIATES (Continued)

The following table illustrates the aggregate summarised financial information of the Group's associates that are not individually material:

	2025 RMB'000	2024 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	**(154,048)**	(198,249)
Aggregate carrying amounts of the Group's associates that are not individually material	**836,770**	1,054,695

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 of impairment.

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 2025, no impairment loss was recognised (2024: impairment loss of RMB252,353,000) in profit or loss as described above. Further, based on the assessment for the year ended 31 December 2025, the directors consider that the recoverable amount of Trust and Xinyin which was calculated based on value in use exceeded its carrying amount and thus, no impairment loss (2024: no impairment loss) was recognised for the year.

23. INVESTMENTS IN JOINT VENTURES

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

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23. INVESTMENTS IN JOINT VENTURES (Continued)

Set out below are details of joint ventures of the Group as at 31 December 2025 and 2024 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 (2024: RMB40,000,000)	51% (2024: 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 (2024: RMB10,000,000)	70% (2024: 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 (2024: RMB560,000,000)	55% (2024: 55%)	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 汕頭市佳晟房地產開發有限公司 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 44(a)).

During the year ended 31 December 2025, the Group acquired additional interests in 廣州佳兆業專業市場管理有限公司 (Guangzhou Kaisa Professional Market Management Co., Ltd.) from other independent shareholder in amounting to Nil. Upon completion the acquisitions, the joint venture had become a subsidiary of the Group (note 44(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 2025 and 31 December 2024, the Group has no share of capital commitments or contingent liability in relation to the Group's joint ventures.

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 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	11,576
Total expenses for the year	(1,822)	(1,785,180)	(4,155)
(Loss) profit and total comprehensive (expenses) income for the year	(1,538)	(1,749,037)	8,885
As at 31 December 2025			
Current assets	**6,876,294**	**2,060,240**	**11,300,443**
Non-current assets	**–**	**49,536**	**227**
Current liabilities	**(4,921,140)**	**(921,661)**	**(3,856,565)**
Non-current liabilities	**–**	**(815,015)**	**(1,392,300)**
Net assets	**1,955,154**	**373,100**	**6,051,805**
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	**1,368,608**	**190,281**	**3,328,493**
Year ended 31 December 2025			
Revenue	**284**	**65,342**	**14,000**
Total expenses for the year	**(3,419)**	**(144,219)**	**(8,748)**
(Loss) profit and total comprehensive (expenses) income for the year	**(3,135)**	**(78,877)**	**12,105**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. INVESTMENTS IN JOINT VENTURES (Continued)

The following table illustrate the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 RMB'000	2024 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	**(106,325)**	(76,840)
Aggregate carrying amounts of the Group's joint ventures that are not individually material	**2,416,628**	2,523,004

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 2025, no impairment loss has been recognised on the Group's investments in associates (2024: nil).

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 RMB'000	2024 RMB'000
Listed securities:			
Equity securities	(a)	**573,808**	907,510
Debt security	(a)	**806**	–
Unlisted securities:			
Equity securities or funds	(b)	**603,154**	1,242,569
Other financial assets – Contractual rights on Properties	(c)	**38,251**	94,421
		1,216,019	2,244,500
Analysed as:			
– Current		**574,614**	907,510
– Non-current		**641,405**	1,336,990
		1,216,019	2,244,500

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.

Notes:

(a) Equity and debt 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.

For the year ended 31 December 2025, the Group recognised a net fair value loss of RMB192,018,000 (2024: fair value loss RMB199,342,000) that was charged to profit or loss for the year.

As at 31 December 2025, the amount of the equity securities of approximately RMB573,808,000 (2024: RMB871,630,000) were pledged as collateral for the Group's borrowings (Note 35).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)
Notes: (Continued)

(b) Equity securities or funds

The unlisted securities comprise:

(i) Unlisted funds with the aggregate carrying amount as at 31 December 2025 amounted to RMB355,935,000 (2024: RMB993,480,000).

For the year ended 31 December 2025, the Group recognised a net fair value loss of RMB673,473,000 (2024: net fair value gain RMB60,051,000) that was charged to profit or loss for the year.

(ii) Other unlisted investments in private enterprises as at 31 December 2025 amounting to RMB247,219,000 (2024: RMB249,089,000) that are mainly engaged in investment and operation of projects.

For the year ended 31 December 2025, the Group recognised a net fair value gain of RMB9,586,000 (2024: fair value loss RMB24,049,000) that was charged to profit or loss for the year.

(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 2025, a fair value loss of RMB56,170,000 (2024: RMB89,825,000) has been recognised in profit or loss for the year.

(d) Others

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 2025 and 31 December 2024 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 50(b).

25. PROPERTIES UNDER DEVELOPMENT

	2025 RMB'000	2024 RMB'000
Amount comprises:		
Construction costs	**10,036,871**	11,296,628
Interest capitalised	**25,729,634**	29,831,722
Land use rights	**40,839,685**	41,059,727
	76,606,190	82,188,077
Less: Impairment	**(13,101,160)**	(8,529,824)
	63,505,030	73,658,253

The properties under development were located in the PRC and Hong Kong and are stated at lower of cost and net realisable value.

As at 31 December 2025, the net aggregate amount of properties under development of approximately RMB58,212,601,000 (2024: RMB67,078,835,000) were pledged as collateral for the Group's borrowings (Note 35).

26. COMPLETED PROPERTIES HELD FOR SALE

	2025 RMB'000	2024 RMB'000
Completed properties held for sale	**19,435,445**	22,172,370
Less: Impairment	**(5,319,945)**	(4,640,372)
	14,115,500	17,531,998
Properties expected to be realised:		
– Within one year from the end of the reporting period	**13,262,615**	16,497,742
– After one year from the end of the reporting period	**852,885**	1,034,256
	14,115,500	17,531,998

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 2025, the net aggregate amount of completed properties held for sale of approximately RMB10,904,932,000 (2024: RMB11,912,059,000) were pledged as collateral for the Group's borrowings (Note 35).

27. INVENTORIES

	2025 RMB'000	2024 RMB'000
Amount comprises:		
Raw materials	**83,046**	96,431
Work in progress	**60,522**	94,440
Finished goods	**170,169**	195,648
	313,737	386,519

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28. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
Trade receivables:			
Trade receivables	(a)	**1,105,148**	1,762,498
Less: Provision for ECL allowances		**(206,914)**	(501,956)
		898,234	1,260,542
Prepayments:			
Prepayments	(b)	**2,097,983**	1,660,706
Prepaid other taxes		**1,728,621**	1,267,109
		3,826,604	2,927,815
Deposits and other receivables			
Other receivables	(c)	**12,544,105**	15,780,099
Other deposits	(d)	**1,553,619**	1,551,991
Amounts due from associates	(e)	**3,151,637**	3,018,336
Amounts due from joint ventures	(e)	**12,587,967**	15,393,323
Amounts due from non-controlling interests of subsidiaries	(e)	**10,044**	1,672,167
		29,847,372	37,415,916
Less: Provision for ECL allowances		**(4,149,206)**	(4,102,894)
		25,698,166	33,313,022
		30,423,004	37,501,379
Analysed as:			
– Current		**30,414,704**	37,497,730
– Non-current		**8,300**	3,649
		30,423,004	37,501,379

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

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 and provision of construction and design 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 **RMB'000**	2024 RMB'000
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	**587,233**	798,783
	1,105,148	1,762,498
Less: Provision for ECL allowances	**(206,914)**	(501,956)
	898,234	1,260,542

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9 *Financial Instruments*. As at 31 December 2025, a provision of RMB206,914,000 (2024: RMB501,956,000) 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 2025 and 2024.

The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

(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 with the carrying amount of RMB2,913 million due from a seller following a court judgment for the refund of an initial investment of approximately RMB3,736 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 RMB8,300,000 (2024: RMB3,649,000), which are classified as non-current assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

28. TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(d) Deposits and other receivables – Other deposits

Details of other deposits are as follows:

	2025 RMB'000	2024 RMB'000
Deposit paid for acquisitions of land use rights for property development	**56,700**	56,700
Refundable deposit to redevelopment project partner	**636,578**	1,048,634
Others	**860,341**	446,657
	1,553,619	1,551,991

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.

During the year ended 31 December 2025, the Group derecognised certain amounts due from joint ventures in the amount of RMB631,581,000 for the purpose of settling of the Group's borrowings.

As at 31 December 2025 and 31 December 2024, 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 US$.

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 50.

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.

31. RESTRICTED BANK BALANCES AND CASH AND CASH AND BANK BALANCES

	Notes	2025 RMB'000	2024 RMB'000
Restricted bank balances and cash	(a) and (b)	**1,054,872**	1,692,711
Cash and bank balances	(b)	**544,685**	697,649
		1,599,557	2,390,360

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 2025, such guaranteed deposits amounted to RMB676,782,000 (2024: RMB1,191,734,000), 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 2025, the Group's cash of RMB74,684,000 (2024: RMB88,376,000) 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 2025, the Group's cash of RMB149,853,000 (2024: RMB183,155,000) was deposited in certain banks as guaranteed deposits for borrowings (Note 35).

As at 31 December 2025, the Group's cash of RMB153,553,000 (2024: RMB229,446,000) 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.

As at 31 December 2025, the effective interest rates of bank deposits in the PRC are ranged from 0.1% to 1.65% (2024: 1.15% to 1.65%) per annum, and the deposits had no fixed maturity terms (2024: no fixed maturity terms).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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:

	2025 RMB'000	2024 RMB'000
Denominated in – RMB	**1,516,005**	2,313,815
Denominated in – HK$	**77,513**	28,937
Denominated in – US$	**6,039**	47,608
	1,599,557	2,390,360

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 2025 and 31 December 2024, 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

	2025 RMB'000	2024 RMB'000
Contract liabilities	**13,174,530**	18,520,388

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 2025 is approximately RMB6,355,904,000 (2024: RMB8,782,810,000) during the year ended 31 December 2025.

Unsatisfied contracts related to the sales of properties

As at 31 December 2025, approximately RMB6,419,793,000 (2024: RMB9,970,831,000) of unsatisfied performance obligations resulting from the property sales are expected to be recognised within twelve months period, whereas approximately RMB6,379,026,000 (2024: RMB8,187,353,000) of unsatisfied performance obligations resulting from the property sales are expected to be recognised after twelve months.

33. OTHER PAYABLES

	Notes	2025 RMB'000	2024 RMB'000
Other payables and accruals	(a)	**7,119,886**	6,772,135
Accrued interest payable	(b)	**19,196,258**	41,525,309
Accrued staff costs		**170,319**	173,516
Consideration payables related to acquisitions of subsidiaries		**120,279**	100,627
Consideration payables related to acquisitions of associates and joint ventures		**629,330**	629,730
Deed tax and other taxes payables		**3,977,576**	3,598,374
Deposits received		**571,690**	540,250
Provision for financial guarantee contracts (see 46(a)(iii))		**364,988**	2,355,385
Amounts due to associates	(c)	**1,033,666**	1,063,227
Amounts due to joint ventures	(c)	**4,601,974**	4,464,817
Amounts due to non-controlling interests of subsidiaries	(c)	**704,577**	704,880
		38,490,543	61,928,250
Analysed as:			
– Current		**38,483,148**	61,923,817
– Non-current		**7,395**	4,433
		38,490,543	61,928,250

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) Accrued interest payable

During the year ended 31 December 2025, the Group's accrued interest payable amounting to approximately RMB34,912,206,000 was derecognised upon the completion of the Debt Restructuring (the "Derecognised Accrued Interest Payable") (see Notes 2.1 and 8(b)).

Further, as at 31 December 2025, the minimum cash interest for the senior notes of approximately RMB169,531,000 was reclassified from the New Senior Notes (see Note 35(b)).

Pursuant to the Company's announcements dated 2 December 2025, 17 December 2025, 28 December 2025, 16 January 2026, 23 January 2026, 6 February 2026, 24 February 2026 and 15 March 2026, the Company proposed to settle the minimum cash interest (the "Minimum Cash Interest") for the New Senior Notes payables on 28 December 2025, 28 June 2026 and 28 December 2026 in the form of shares of the Company in lieu of cash. The Company announced that the payment of the December 2025 Minimum Cash Interest is expected to be made by way of the allotment and issuance of shares by the Company on April 16, 2026.

(c) Amounts due to associates, amounts due to joint ventures and amounts due to non-controlling interests of subsidiaries

At as 31 December 2025 and 31 December 2024, 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.

(d) Others

The carrying amounts of other payables are denominated in RMB and approximate to their fair values.

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34. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025 RMB'000	2024 RMB'000
Total minimum lease payments:		
Due within one year	**30,111**	170,758
Due in the second to fifth year	**57,681**	363,401
Due after the fifth year	**24,460**	112,816
	112,252	646,975
Future finance charges on lease liabilities	**(16,836)**	(75,965)
Present value of lease liabilities	**95,416**	571,010
Present value of minimum lease payments		
Due within one year	**24,698**	145,110
Due in the second to fifth year	**47,847**	326,106
Due after the fifth year	**22,871**	99,794
	95,416	571,010
Less: Portion due within one year included under current liabilities	**(24,698)**	(145,110)
Portion due after one year included under non-current liabilities	**70,718**	425,900

As at 31 December 2025, the weighted average lessee's incremental borrowing rate applied was 7.13% (2024: 7.12%).

During the year ended 31 December 2025, the total cash outflows for the leases and short-term leases and low-value assets are of approximately RMB68,114,000 (2024: RMB98,339,000).

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 20 years (2024: 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 2025, the Group entered into certain lease contracts in which additions of right-of-use assets and lease liabilities amounting to RMB52,405,000 (2024: RMB97,624,000) were recognised at the lease commencement date.

35. BORROWINGS

	Notes	2025 RMB'000	2024 RMB'000
Borrowings comprise:			
– Senior Notes	(a) and (h)	**773,168**	83,273,840
– New Senior Notes	(b)	**33,466,715**	–
– Bank borrowings	(c) and (h)	**19,382,150**	20,334,066
– Other borrowings	(c) and (h)	**29,950,031**	31,241,875
– Loan from a related company	(d) and (h)	**108,781**	108,781
– Loan from the controlling shareholder of the Company	(e)	**115,000**	115,000
		83,795,845	135,073,562
The Group's borrowings were repayable as follows:			
Within one year or on demand		**36,152,156**	118,077,834
More than one year, but not more than two years		**4,623,791**	4,235,523
More than two years, but not more than five years		**25,928,813**	10,728,605
More than five years		**17,091,085**	2,031,600
		83,795,845	135,073,562
Less: current portion		**(36,152,156)**	(118,077,834)
Amounts shown under non-current liabilities		**47,643,689**	16,995,728
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
		83,795,845	135,073,562
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
		83,795,845	135,073,562

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35. BORROWINGS (Continued)

(a) Senior Notes

During the years ended 31 December 2024 and 31 December 2025, the movements of the Group issued senior notes (the "Senior Notes") which are listed on the Singapore Exchange Securities Trading Limited are as follows:

Particulars	Issue date	As at 1 January 2024, 31 December 2024 and 1 January 2025 US$'000	Derecognised upon Completion of the Debt Restructuring US$'000	At as 31 December 2025 US$'000	Maturity date
2021 6.5% Notes – Tranche I ("December 2021 Notes")	8 December 2020	**250,000**	**(250,000)**	**–**	7 December 2021
2021 6.5% Notes – Tranche II ("December 2021 Notes")	22 December 2020	**150,000**	**(150,000)**	**–**	7 December 2021
2022 11.25% Notes – Tranche I ("April 2022 Notes")	9 April 2019	**350,000**	**(350,000)**	**–**	9 April 2022
2022 11.25% Notes – Tranche II ("April 2022 Notes")	2 July 2019	**200,000**	**(200,000)**	**–**	9 April 2022
2022 8.5% Notes ("June 2022 Notes")	30 June 2017	**1,147,000**	**(1,147,000)**	**–**	30 June 2022
2022 8.65% Notes ("July 2022 Notes")	23 July 2021	**300,000**	**(300,000)**	**–**	22 July 2022
2022 10.5% Notes ("September 2022 Notes")	8 September 2021	**300,000**	**(300,000)**	**–**	7 September 2022
2022 11.95% Notes – Tranche I ("October 2022 Notes")	22 October 2019	**400,000**	**(400,000)**	**–**	22 October 2022
2022 11.95% Notes – Tranche II ("October 2022 Notes")	1 November 2019	**200,000**	**(200,000)**	**–**	22 October 2022
2023 11.5% Notes – Tranche I ("January 2023 Notes")	30 May 2019	**400,000**	**(400,000)**	**–**	30 January 2023
2023 11.5% Notes – Tranche II ("January 2023 Notes")	24 June 2019	**300,000**	**(300,000)**	**–**	30 January 2023
2023 10.875% Notes – Tranche I ("July 2023 Notes")	23 July 2019	**300,000**	**(300,000)**	**–**	23 July 2023
2023 10.875% Notes – Tranche II ("July 2023 Notes")	13 November 2019	**150,000**	**(150,000)**	**–**	23 July 2023
2023 10.875% Notes – Tranche III ("July 2023 Notes")	26 January 2021	**300,000**	**(300,000)**	**–**	23 July 2023
2023 9.75% Notes – Tranche I ("September 2023 Notes")	10 July 2020	**400,000**	**(400,000)**	**–**	28 September 2023
2023 9.75% Notes – Tranche II ("September 2023 Notes")	16 February 2021	**100,000**	**(100,000)**	**–**	28 September 2023
2023 9.75% Notes – Tranche III ("September 2023 Notes")	27 April 2021	**200,000**	**(200,000)**	**–**	28 September 2023
2023 9.75% Notes – Tranche IV ("September 2023 Notes")	16 June 2021	**280,000**	**(280,000)**	**–**	28 September 2023
2023 11.95% Notes – Tranche I ("November 2023 Notes")	12 November 2019	**300,000**	**(300,000)**	**–**	12 November 2023
2023 11.95% Notes – Tranche II ("November 2023 Notes")	17 November 2020	**200,000**	**(200,000)**	**–**	12 November 2023
2024 9.375% Notes ("June 2024 Notes")	30 June 2017	**2,247,453**	**(2,247,453)**	**–**	30 June 2024
2025 10.5% Notes ("January 2025 Notes")	15 January 2020	**500,000**	**(500,000)**	**–**	15 January 2025
2025 11.25% Notes – Tranche I ("April 2025 Notes")	8 July 2020	**300,000**	**(300,000)**	**–**	16 April 2025
2025 11.25% Notes – Tranche II ("April 2025 Notes")	2 September 2020	**400,000**	**(400,000)**	**–**	16 April 2025
2025 9.95% Notes – Tranche I ("July 2025 Notes")	23 January 2020	**300,000**	**(300,000)**	**–**	23 July 2025
2025 9.95% Notes – Tranche II ("July 2025 Notes")	3 February 2021	**200,000**	**(200,000)**	**–**	23 July 2025
2025 11.7% Notes ("November 2025 Notes")	11 May 2021	**1,000,022**	**(1,000,022)**	**–**	11 November 2025
2026 11.65% Notes ("June 2026 Notes")	1 June 2021	**300,000**	**(300,000)**	**–**	1 June 2026
2022 6.6% Notes	5 February 2021	**110,000**	**–**	**110,000**	4 February 2022
		11,584,475	**(11,474,475)**	**110,000**	

35. BORROWINGS (Continued)

(a) Senior Notes (Continued)

The Group did not repay the principal and accrued unpaid interest upon the maturity dates for respective Senior Notes.

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.

During the year ended 31 December 2025, Senior Notes with carrying values of approximately RMB82,141,177,000 (US$11,474,475,000) were derecognised upon the Completion of the Debt Restructuring (the "Derecognised Senior Notes") (see Notes 2.1 and 8(b)).

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 2025 and 31 December 2024.

During the years ended 31 December 2025 and 31 December 2024, the movements of the Senior Notes are as follows:

	RMB'000
Carrying amount as at 1 January 2024, 31 December 2024 and 1 January 2025	83,273,840
Derecognised of Senior Notes upon Debt Restructuring (see Note 2.1 and 8(b))	(82,141,177)
Exchange difference	(359,495)
Carrying amount as at 31 December 2025	773,168

(b) New Senior Notes

As described in note 2.1, pursuant to the Debt Restructuring, a total of approximately US$6,717.4 million of New Senior Notes, comprising New Notes of approximately US$6,686.2 million and Other New Notes of approximately US$31.2 million, were issued on 15 September 2025.

During the year ended 31 December 2025, the movements in the Group's issued New Senior Notes are as follows:

Particulars	Principal amount issued on 15 September 2025 US$'000	Principal amount on as at 31 December 2025* US$'000	Maturity date
2027.11.30 US$31.2 million Other New Note	31,160	31,160	30 November 2027
2027.12.28 Tranche A US$400 million New Note	400,000	460,152	28 December 2027
2028.12.28 Tranche B US$600 million New Note	600,000	672,692	28 December 2028
2029.12.28 Tranche C US$1,000 million New Note	1,000,000	1,260,742	28 December 2029
2030.12.28 Tranche D US$1,200 million New Note	1,200,000	1,357,350	28 December 2030
2031.12.28 Tranche E US$1,800 million New Note	1,800,000	2,045,000	28 December 2031
2032.12.28 Tranche F US$1,686.2 million New Note	1,686,210	1,924,129	28 December 2032
	6,717,370	7,751,225	

* As at 31 December 2025, the respective principal amounts are adjusted at the PIK interest rate (as described and explained below).

With reference to a valuation conducted by an independent professional valuer, the directors of the Company determined that the effective interest rates range from 16.00% to 17.76%.

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For the year ended 31 December 2025

35. BORROWINGS (Continued)

(b) New Senior Notes (Continued)

The movements of the New Senior Notes during the year ended 31 December 2025 are as follows:

	RMB'000
Carrying amount as at 1 January 2025	–
New Senior Notes issued upon Debt Restructuring (see Notes 2.1 and 8(b))	32,691,066
Accrued interests at effective interest rate	1,558,037
Minimum Cash Interest for the Senior Notes which was reclassified to accrued interest payable (see Note 33(b))	(169,531)
Exchange difference	(612,857)
Carrying amount as at 31 December 2025	33,466,715

As explained in Notes 2.1 and 8(b), the New Senior Notes, comprise Other New Note, Tranches A, B, C, D, E and F New Notes had an aggregate principal amounts of approximately US$6,717,370,000 (equivalent to RMB48,086,965,000). With reference to a valuation conducted by an independent professional valuer, the management of the Company determined that the fair value of the new issued New Senior Notes amounted to approximately US$4,566,684,000 (equivalent to RMB32,691,066,000) on 15 September 2025 upon the Debt Restructuring (see Notes 2.1 and 8(b)).

As at 31 December 2025, the aggregate carrying amount of the New Senior Notes amounted to approximately RMB33,466,715,000 (equivalent to US$4,761,370,000)

The New Senior 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 ("PIK interest rate")). For the first five years after 31 December 2023, interest on the New Senior 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 Senior Notes shall be paid entirely in cash. A cash extension fee of 1.00% of the outstanding principal amount of the Tranche A New Notes was included as the Company decided to extend the maturity of Tranche A New Notes for one additional year to 28 December 2028. In addition, the interest rate of the Tranche A New Notes was increased by 0.5% p.a. during the extension period as the maturity of the Tranche A was extended to 30 November 2028.

(c) Bank and other borrowings

As explained in Notes 2.1 and 8(b), offshore loans amounting to US$24,681,000 (equivalent to RMB176,682,000) were derecognised upon the Completion of the Debt Restructuring (the "Derecognised Offshore Loans") (see Notes 2.1 and 8(b)) during the year ended 31 December 2025.

(d) Loan from a related company

The amount is unsecured, carries an interest rate of 12% (2024: 12%) per annum, and was in default as at 31 December 2024 and 31 December 2025. The related company is controlled by a substantial shareholder of the Company.

(e) Loan from the controlling shareholder of the Company

The amount is unsecured, carries an interest rate of 5% per annum and is repayable in June 2025. In January 2025, the maturity date of the loan was extended to January 2027.

35. BORROWINGS (Continued)

(f) The weighted average effective interest rates

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	5.00%	N/A
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 2025 were as follows:

	Current	**Non-current**
As at 31 December 2025		
Bank borrowings	**6.39%**	**5.78%**
Other borrowings	**10.94%**	**4.9%**
Loan from the controlling shareholder of the Company	**N/A**	**5.00%**
Senior Notes	**6.60%**	**N/A**
New Senior Notes	**N/A**	**17.35%**
Loan from a related company	**12.00%**	**N/A**

(g) Currencies of the Group's borrowings

The amounts of the Group's borrowings are denominated in RMB except for Senior Notes, New Senior Notes and certain bank and other borrowings with aggregate amounts of approximately RMB35,934,559,000 and RMB441,664,000 (2024: RMB85,255,060,000 and RMB427,094,000), which are denominated in US$ and HK$ respectively.

(h) Others

As at 31 December 2025, the Group's borrowings, comprising Senior Note, Bank Borrowings, Other Borrowings and loan from a related company with an aggregate amount of approximately RMB30,544 million (2024: RMB114,158 million) were in default. These defaults arose from late and/or overdue payment of loan principal and/or interest and/or were cross-defaulted with other borrowings. As a consequence, these amounts should be immediately repayable upon request by the lenders. Of these, up the date for the issuance of these consolidated financial statements, the Group's borrowings amounted to approximately RMB1,839.1 million, have had their repayment periods extended to years 2026 to 2028.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. BORROWINGS (Continued)

(i) Pledged assets

The Group's bank and other borrowings of approximately RMB32,557,168,000 (2024: RMB33,603,468,000) 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 borrowings are as follows:

	Notes	2025 RMB'000	2024 RMB'000
Property, plant and equipment	17	**2,740,431**	2,993,930
Investment properties	19	**7,389,800**	8,409,800
Land use rights	20	**188,016**	194,955
Financial assets at fair value through profit or loss	24	**573,808**	871,630
Properties under development	25	**58,212,601**	67,078,835
Completed properties held for sale	26	**10,904,932**	11,912,059
Restricted bank balances and cash	31	**149,853**	183,155
		80,159,441	91,644,364

Certain borrowings are guaranteed by certain subsidiaries of the Group:

	2025 RMB'000	2024 RMB'000
Group companies		
– Guaranteed and secured by the Group's assets	**20,518,196**	21,668,163
– Guaranteed by the Company	**12,544,566**	12,992,094
	33,062,762	34,660,257

36. CONVERTIBLE BONDS

	2025 RMB'000	2024 RMB'000
Financial liabilities measures at FVTPL		
– MCBs	**1,040,721**	–
Analysed as:		
– Current	**57,265**	–
– Non-current	**983,456**	–
	1,040,721	–

As described in note 2.1, pursuant to the Debt Restructuring, the Company issued zero coupon MCBs with a nominal value of approximately US$6,686.2 million (equivalent to approximately RMB47,863.9 million) on 15 September 2025 and the movements of the MCBs during the year ended 31 December 2025 are as follows:

Description	Conversion price	Issued on 15 September 2025 US$'000	Conversion into shares during the year US$'000	As at 31 December 2025 US$'000	Maturity date	Voluntary conversion period
2025.12.31 Tranche A US$300 million MCB	**HK$4.75**	**300,000**	**(300,000)**	**–**	31 December 2025	N/A
2026.12.31 Tranche B US$400 million MCB	**HK$4.75**	**400,000**	**–**	**400,000**	31 December 2026	1 October 2026 to 31 December 2026
2027.12.31 Tranche C US$500 million MCB	**HK$4.75**	**500,000**	**–**	**500,000**	31 December 2027	1 July 2027 to 31 December 2027
2028.12.31 Tranche D US$800 million MCB	**HK$4.05**	**800,000**	**–**	**800,000**	31 December 2028	1 January 2028 to 31 December 2028
2029.12.31 Tranche E US$800 million MCB	**HK$4.05**	**800,000**	**–**	**800,000**	31 December 2029	1 January 2029 to 31 December 2029
2030.12.31 Tranche F US$1,000 million MCB	**HK$4.05**	**1,000,000**	**–**	**1,000,000**	31 December 2030	1 January 2030 to 31 December 2030
2031.12.31 Tranche G US$1,000 million MCB	**HK$4.05**	**1,000,000**	**–**	**1,000,000**	31 December 2031	1 January 2031 to 31 December 2031
2032.12.31 Tranche H US$1,886.2 million MCB	**HK$4.05**	**1,886,210**	**–**	**1,886,210**	31 December 2032	1 January 2032 to 31 December 2032
		6,686,210	**(300,000)**	**6,386,210**		

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 prices (the "Conversion Prices"), subject to adjustments, if appropriate. The directors of the Company believe that the remaining MCBs will be converted into shares of the Company ultimately on or before the respective maturity dates.

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.

With reference to a valuation conducted by an independent professional valuer, the management of the Company determined that the fair value of the MCBs was approximately US$254,321,000 (equivalent to RMB1,820,584,000) on 15 September 2025, upon completion of the Debt Restructuring (see Notes 2.1 and 8(b)).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

36. CONVERTIBLE BONDS (Continued)

On 12 December 2025 and 29 December 2025, Tranche A MCB was converted into shares of the Company as described in Note 38(b).

As at 31 December 2025, the outstanding MCBs would be convertible into approximately 12,121,133,000 ordinary shares of the Company at the Conversion Prices.

The movements and reconciliation of level 3 measurement of the MCBs during the year ended 31 December 2025 are set out below:

	RMB'000
Carrying amount as at 1 January 2025	–
Issued on 15 September 2025 upon Debt Restructuring	**1,820,584**
Conversion of Tranche A MCB into shares during the year	**(43,531)**
Changes in fair value	**(714,130)**
Exchange realignment	**(22,202)**
Carrying amount as at 31 December 2025	**1,040,721**

37. DEFERRED 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:

	2025 RMB'000	2024 RMB'000
Deferred tax assets	**1,108,459**	1,111,395
Deferred tax liabilities	**(2,035,421)**	(2,159,258)
	(926,962)	(1,047,863)

The movements of the deferred tax assets and liabilities are as follows:

	2025 RMB'000	2024 RMB'000
As at 1 January	**(1,047,863)**	(1,073,418)
Disposals of subsidiaries	–	(1,063)
Recognised in profit or loss (note 12)	**120,901**	26,618
As at 31 December	**(926,962)**	(1,047,863)

37. DEFERRED 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 2024	1,217,553	252,808	1,470,361
Disposal of subsidiaries	–	(1,063)	(1,063)
Charged to profit or loss	(6,003)	(251,745)	(257,748)
As at 31 December 2024 and 1 January 2025	**1,211,550**	**–**	**1,211,550**
Charged to profit or loss	**(2,118)**	**–**	**(2,118)**
As at 31 December 2025	**1,209,432**	**–**	**1,209,432**

	Intangible assets acquired in business combination RMB'000	Revaluation of investment properties RMB'000	Total RMB'000
Deferred tax liabilities			
As at 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 and 1 January 2025	**206,360**	**2,053,053**	**2,259,413**
Credited to profit or loss	**(5,181)**	**(117,838)**	**(123,019)**
As at 31 December 2025	**201,179**	**1,935,215**	**2,136,394**

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 RMB63,600,947,000 (2024: RMB73,629,327,000) that can be carried forward against future taxable income. These tax losses will expiry from 2026 to 2030 (2024: 2025 to 2029).

At 31 December 2025, the unrecognised deferred tax liabilities were RMB1,471,082,000 (2024: RMB1,476,144,000) 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 2025 amounted to RMB29,421,636,000 (2024: RMB29,522,855,000).

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For the year ended 31 December 2025

38. 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 2024, 31 December 2024, 1 January 2025 and 31 December 2025	50,000,000,000	5,000,000	4,405,545
Issue and fully paid:			
As at 1 January 2024, 31 December 2024 and 1 January 2025	**7,015,468,487**	**701,547**	**613,530**
Issue of shares upon Debt Restructuring (see Notes 2.1 and 8(b) and Note (a) below)	**2,100,000,000**	**210,000**	**191,520**
Issue of shares upon conversion of Tranche A MCB (see Note 36 and Note (b) below)	**495,789,471**	**49,579**	**45,266**
At 31 December 2025	**9,611,257,958**	**961,126**	**850,316**

The movements in the share capital of the Company during the year ended 31 December 2025 are as follows:

(a) Issue of shares in connection with the Debt Restructuring

As described and explained in Notes 2.1 and 8(b), on 1 September 2025, 2,100,000,000 ordinary shares of the Company were issued at HK$0.1 per share in connection with the Debt Restructuring, i.e. AHG Work Fee Shares. Approximately RMB191,520,000 was credited to share capital and the remaining balance of approximately RMB82,354,000 was credited to the share premium.

(b) Issue of shares upon conversion of MCB

On 12 December 2025 and 29 December 2025, the Tranche A MCB was fully converted into shares of the Company at the conversion price of HK$4.75 per share and thus, 495,789,471 ordinary shares of the Company were issued to the MCB holders. The carrying amount of the Tranche A MCB was approximately RMB43,531,000, net of the par value of the shares of approximately RMB45,266,000, the difference of approximately RMB1,735,000 was charged to the Group's share premium account.

The new issued shares rank pari passu in all respects among themselves and with the shares in issue on the date of allotment and issue of the new shares in the share capital of the Company.

39. PERPETUAL CAPITAL SECURITIES

	2025 RMB'000	2024 RMB'000
Perpetual capital securities	–	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.

As described and explained in Note 2.1 and 8(b), on 15 September 2025, all the perpetual capital securities (the "Derecognised Perpetual Capital Securities") were derecognised upon the Completion of the Debt Restructuring.

40. SHARE PREMIUM

	2025 RMB'000	2024 RMB'000
At 1 January	**6,376,801**	6,376,801
Issue of shares upon Debt Restructuring	**82,354**	–
Issue of shares upon conversion of Tranche A MCB	**(1,735)**	–
	6,457,420	6,376,801

For the movements, please referred to note 38 (a) & (b).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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41. 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)	(Accumulated losses)/ retained earnings RMB'000	Total RMB'000
As at 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 and 1 January 2025	**382**	**17,488**	**1,025,344**	**51,688**	**(159,350)**	**(49,852,733)**	**(48,917,181)**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**52,554,898**	**52,554,898**
Other comprehensive expenses for the year	**–**	**(22,604)**	**–**	**–**	**–**	**(4,860)**	**(27,464)**
Total comprehensive (expenses) income for the year	**–**	**(22,604)**	**–**	**–**	**–**	**52,550,038**	**52,527,434**
Changes in ownership interests in subsidiaries without losing control	**–**	**–**	**–**	**–**	**(176)**	**–**	**(176)**
Share options lapsed	**–**	**–**	**–**	**(32,135)**	**–**	**32,135**	**–**
As at 31 December 2025	**382**	**(5,116)**	**1,025,344**	**19,553**	**(159,526)**	**2,729,440**	**3,610,077**

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For the year ended 31 December 2025

41. 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 43).

(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.

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42. 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.

43. 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.

43. 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 2025 and 31 December 2024 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 2024	Cancelled/ lapsed/forfeited during the year	As at 31 December 2024 and 1 January 2025	Cancelled/ lapsed/forfeited during the year	As at 31 December 2025
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	18,057,149	(3,592,847)	14,464,302	–	14,464,302
	19 July 2017	3.27	19 July 2019 to 18 July 2027	3.44	18,005,528	(3,592,847)	14,412,681	–	14,412,681
	19 July 2017	3.27	19 July 2020 to 18 July 2027	3.44	18,470,121	(3,592,847)	14,877,274	–	14,877,274
	19 July 2017	3.27	19 July 2021 to 18 July 2027	3.44	43,134,805	(7,185,689)	35,949,116	–	35,949,116
	12 April 2019	3.69	12 April 2021 to 13 April 2029	3.58	5,368,621	(1,238,912)	4,129,709	–	4,129,709
	12 April 2019	3.69	12 April 2022 to 13 April 2029	3.58	5,368,621	(1,238,912)	4,129,709	–	4,129,709
	12 April 2019	3.69	12 April 2023 to 13 April 2029	3.58	5,368,621	(1,238,912)	4,129,709	–	4,129,709
	12 April 2019	3.69	12 April 2024 to 13 April 2029	3.58	10,737,242	(2,477,827)	8,259,415	–	8,259,415
					124,510,708	(24,158,793)	100,351,915	–	100,351,915
Total					158,580,803	(24,158,793)	134,422,010	–	134,422,010

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For the year ended 31 December 2025

43. 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.

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 24,158,793 options have lapsed in accordance with the terms of the2019 Share Option Scheme. During the year ended 31 December 2025, no share option was granted nor exercised and no options have lapsed in accordance with the terms of the 2019 Share Option Scheme.

As at 31 December 2025, 134,422,010 (2024: 134,422,010) 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	April 2019 Grant
Fair value under binomial model (HK$'000)	543,168	51,857
Closing share price at grant date (HK$)	3.55	3.69
Exercise price (HK$)	3.55	3.7
Annual risk-free interest rate	2.05%	2.26%
Expected volatility	42%	46%
Expected option life	10 years	10 years
Expected divided yield	Nil	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 2025, no share option expense of the Group has been recognised (2024: share option expense of RMB2,786,000 has been recognised).

43. 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.

During the years ended 31 December 2025 and 31 December 2024, no New Share Options were granted under the New Share Option Scheme for both years.

As at 31 December 2025 and 31 December 2024, no outstanding options granted under the New Share Option Scheme were exercisable for both years.

During the years ended 31 December 2025 and 31 December 2024, no share option expense under the New Share Option Scheme has been recognised for both years.

(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 2025, no (2024: no) options were granted, none of options were exercised and cancelled, and no (2024: 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.

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43. 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 2025, the number of shares in respect of which options had been granted and remained outstanding under the Kaisa Health Share Option Scheme was 62,000,000 (2024: 142,000,000), representing 1.3% (2024:2.8%) of the shares of the Kaisa Health Group Holdings Limited in issue at that date.

During the years ended 31 December 2025 and 31 December 2024, no options were granted under the Kaisa Health Share Option Scheme for both years.

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.

43. 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:

		Number of share options				
Type of participant	Option type	As at 1 January 2024	Cancelled/ lapsed/ forfeited during the year	As at 31 December 2024 and 1 January 2025	Cancelled/ lapsed/ forfeited during the year	As at 31 December 2025
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	(80,000,000)	62,000,000
Exercisable at the end of the year		142,000,000	–	142,000,000	(80,000,000)	62,000,000
Weighted average exercise price		HK$0.196	–	HK$0.196	HK$0.196	HK$0.196

Notes:

(i) Mr. Zhang Huagang, being an executive director of Kaisa Health Group 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 Kaisa Health Group 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.

Since all the share options have been vested in prior years and thus, the Company did not recognise any share-based payment expense for the year ended 31 December 2025.

During the year, 80,000,000 share options were forfeited, leading to a decrease in the share option reserve of RMB5,946,000 (2024: nil).

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43. 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 HK$ per share	Number
As at 1 January 2024, 31 December 2024 and 1 January 2025	15.7	9,070,000
Forfeited during the year	15.7	(4,180,000)
As at 31 December 2025	**15.7**	**4,890,000**

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 HK$0.01 each in the capital of Kaisa Prosperity. The closing price of the shares immediately before the date of grant was HK$15.36. 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 HK$62,564,000 and HK$22,241,000, respectively.

During the year ended 31 December 2025, no share option was granted nor exercised and a total of 4,180,000 (2024: nil) share options amounting to approximately RMB26,189,000 (2024: nil) have been lapsed in accordance with the terms of the scheme.

43. 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	HK$84,805,000
Closing share price at grant date	HK$15.70
Exercise price	HK$15.70
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 HK$ 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, no employee compensation expense has been recognised in profit or loss for the year ended 31 December 2025 (2024: nil). Since the share options were fully vested in prior years and thus, no share option expense was recognised during the year ended 31 December 2025 (2024: nil). No liabilities were recognised for the share based payment transactions.

As at 31 December 2025, 4,890,000 of the outstanding options granted under the share option scheme were exercisable (2024: 9,070,000).

	Exercise price per share HK$	Number of share options outstanding as at 31 December 2025	2024
19/7/2020-18/7/2029	15.70	**1,060,000**	2,010,000
19/7/2021-18/7/2029	15.70	**1,060,000**	2,010,000
19/7/2022-18/7/2029	15.70	**1,000,000**	1,950,000
19/7/2023-18/7/2029	15.70	**1,770,000**	3,100,000
		4,890,000	9,070,000

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43. 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 2025, there were no outstanding share options granted under the Kaisa Capital Old Scheme (2024: nil).

No share option has been granted under the Kaisa Capital Share Option Scheme since its adoption and therefore, as at 31 December 2025, there were no outstanding share options granted under the Kaisa Capital Share Option Scheme (2024: nil) and no share option was exercised and cancelled or lapsed for both years.

44. ACQUISITIONS OF SUBSIDIARIES

(a) 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

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44. ACQUISITIONS OF SUBSIDIARIES (Continued)

(b) For the year ended 31 December 2025

Acquisitions of assets and acquisitions of additional interests in the Group's joint ventures

During the year ended 31 December 2025, the Group entered into share transfer agreement with existing business partner to acquire additional equity interests in 廣州市佳兆業專業市場管理有限公司 (Guangzhou Kaisa Professional Market Management Co., Ltd.) which was classified as the Group's joint ventures before the further acquisitions with the aggregate consideration of Nil.

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	**54**
Properties under development	**31,842**
Debtors, deposits and other receivables	**77,253**
Amounts due from joint ventures of the Group	**14,023**
Prepayments for proposed development projects	**232**
Prepaid tax	**854**
Cash and bank balances	**1**
Other payables and contract liabilities	**(32,056)**
Amounts due to joint ventures of the Group	**(92,203)**
Total identifiable net assets	–
Less: Pre-existing interests in the joint ventures	–
Identifiable net assets acquired	–
Total purchase consideration[#]	–
Cash and bank balances in the subsidiaries acquired and cash inflow on acquisition of the subsidiaries	**1**

[#] Amount less than RMB1,000

45. DISPOSALS OF SUBSIDIARIES

(a) 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.) and its subsidiaries which was engaged in property development. The following table summarises the aggregate net assets and liabilities of the subsidiaries disposed of during the prior 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 investments in associates	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)

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For the year ended 31 December 2025

45. DISPOSALS OF SUBSIDIARIES (Continued)

(b) For the year ended 31 December 2025

During the year ended 31 December 2025, the Group entered into an agreement with an independent third party to dispose of all the interests in 廣州嘉瑞置業發展有限公司 (Guangzhou Jiarui Property Development Co., Ltd.) which was inactive during the year. The following table summarises the aggregate net assets and liabilities of the subsidiary disposed of during the current year and the financial impacts are summarised as follows:

	RMB'000
Net assets disposed of:	
Debtors, deposits and other receivables	**4**
Cash and bank balances	**3**
Other payables	**(25)**
Net liabilities disposed of	**(18)**
Net gain on disposals of subsidiaries	**18**
Total consideration	–
Satisfied by:	
Cash consideration[#]	–
Net cash outflow in respect of disposals of subsidiaries:	
Cash and bank balances disposals of	**(3)**

[#] Amount less than RMB1,000

46. 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 RMB21,617,408,000 as at 31 December 2025 (2024: RMB24,312,244,000). 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 2025 and 31 December 2024, 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 2025, 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 RMB17,409,064,000 (2024: RMB20,767,618,000).

During the year ended 31 December 2025, a financial guarantee given by the Group relating to the liabilities of the Group amounted to RMB1,781,653,000 was derecognised upon the Completion of the Debt Restructuring (the "Derecognised Financial Guarantee Contract") as described in Notes 2.1 and 8(b).

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 2025, the directors have performed assessment and the provision as at 31 December 2025 was amounted to RMB364,988,000 (2024: RMB2,355,385,000) (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 US$750,000,000 and accrued interests (the "Petition").

Pursuant to the Company's announcement dated 22 September 2025, the directors of the Company announced that, upon the joint application of the parties by way of consent summons, an order was made by the High Court on 22 September 2025 that the Petition was dismissed.

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 2025. 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.

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47. COMMITMENTS

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

	2025 RMB'000	2024 RMB'000
Contracted but not provided for:		
– Acquisitions of land use rights and property development activities	**11,292,484**	11,300,005
– Acquisitions of subsidiaries (note below)	**13,000,000**	13,000,000
	24,292,484	24,300,005

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:

	2025 RMB'000	2024 RMB'000
Not later than one year	**304**	330
Later than one year and not later than five years	**–**	–
	304	330

As at 31 December 2025 and 31 December 2024, 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:

	2025 RMB'000	2024 RMB'000
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	**171,883**	184,487
	784,315	860,989

47. 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 (2024: 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.

48. 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.

	2025 **RMB'000**	2024 RMB'000
Total borrowings of the Group	**83,795,845**	135,073,562
Less: Bank balances and cash	**(1,599,557)**	(2,390,360)
Net debt of the Group	**82,196,288**	132,683,202
Total equity (deficit) of the Group	**19,446,902**	(31,741,800)
Gearing ratio	**422.67%**	N/A

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 2025, 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.

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For the year ended 31 December 2025

49. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 RMB'000	2024 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	**26,596,400**	34,573,564
Bank balances and cash		
– Restricted bank balance and cash	**1,054,872**	1,692,711
– Cash and bank balances	**544,685**	697,649
	28,195,957	36,963,924
Financial assets at FVTPL		
– Financial assets at FVTPL	**1,216,019**	2,244,500
	29,411,976	39,208,424
Liabilities as per consolidated statement of financial position		
Financial liabilities at amortised cost		
Accrued construction costs	**13,099,021**	11,517,764
Other payables, excluding deed tax and other tax payables	**34,512,967**	58,329,876
Lease liabilities	**95,416**	571,010
Borrowings	**83,795,845**	135,073,562
	131,503,249	205,492,212
Financial assets at FVTPL		
– Convertible bonds	**1,040,721**	–
	132,543,970	205,492,212

50. 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, trade receivables, 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, borrowings and convertible bonds. 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 2025 and 2024, the carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective reporting dates are as follows:

	2025 **RMB'000**	2024 RMB'000
Monetary assets		
United States Dollars ("US$")	**356,555**	1,034,740
Hong Kong Dollars ("HK$")	**336,175**	1,307,741
	692,730	2,342,481
Monetary liabilities		
US$	**35,938,100**	85,529,012
HK$	**457,037**	441,814
	36,395,137	85,970,826

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For the year ended 31 December 2025

50. 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 (decrease)/increase (2024: increase/(decrease)) in the profit (2024: loss) for the year is as follows:

	2025		2024	
	Sensitivity rate %	**Increase/ (Decrease) in profit or loss and equity RMB'000**	Sensitivity rate %	Increase/ (Decrease) in profit or loss and equity RMB'000
US$	**5%**	**(1,779,077)**	5%	4,224,714
HK$	**5%**	**(6,043)**	5%	(43,296)

(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 2025, if interest rates on assets and liabilities had been increased/decreased by 100 (2024: 100) basis point with all variables held constant, the Group's post-tax loss for the year would have been RMB15,996,000 decreased/increased (2024: the Group's post-tax loss for the year would have been RMB23,904,000 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 2025. 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.

	2025 RMB'000	2024 RMB'000
Price of each stock – increases by 5%	**28,731**	45,376
Price of each stock – decreases by 5%	**(28,731)**	(45,376)

50. 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 RMB470,501,000 (2024: RMB659,415,000) was recognised for the year ended 31 December 2025.

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 and third parties, which has been disclosed in Note 46. As at 31 December 2025, the Group has recognised a financial liability in respect of these guarantees of RMB364,988,000 (2024: RMB2,355,385,000) (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 of financial assets of approximately RMB7,816,522,000 (2024: RMB4,946,860,000) was recognised for the year ended 31 December 2025 due to the economic environment in which property developers in the PRC operate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

50. 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 2025 and 2024, 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 2025 and 2024 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
2025				
Expected loss rate	**6.5%**	**16.6%**	**26.1%**	
Gross carrying amount (note 28(a)) (RMB'000)	**322,366**	**195,549**	**587,233**	**1,105,148**
Loss allowance provision (note 28(a)) (RMB'000)	**21,009**	**32,502**	**153,403**	**206,914**

	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

50. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

50. 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 2025 and 2024, 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 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 2025					
Performing	**1%-11%**	**12 months expected losses**	**10,591,499**	**(365,466)**	**10,226,033**
Underperforming	**11%-21%**	**Lifetime expected losses**	**13,738,913**	**(1,501,663)**	**12,237,250**
Non-performing	**31%-100%**	**Lifetime expected losses**	**5,516,960**	**(2,282,077)**	**3,234,883**
Total			**29,847,372**	**(4,149,206)**	**25,698,166**

As at 31 December 2025, the cumulative ECL recognised on amounts due from associates, joint ventures and non-controlling interests of subsidiaries were amounted to RMB726,087,000, RMB1,221,947,000 and RMB1,098,000 respectively (2024: RMB266,763,000, RMB1,365,388,000 and RMB581,560,000 respectively).

50. 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 2025 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
(Reversal) provision recognised in profit or loss during the year	(240,593)	494,892	441,667	695,966
As at 1 January 2025	**266,763**	**1,365,388**	**581,560**	**2,213,711**
Provision (reversal) recognised in profit or loss during the year	**459,324**	**(143,441)**	**1,051,449**	**1,367,332**
Written-off	**–**	**–**	**(1,631,911)**	**(1,631,911)**
As at 31 December 2025	**726,087**	**1,221,947**	**1,098**	**1,949,132**

No significant change to estimation techniques or assumptions was made during the year.

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50. 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 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 2025 and 2024 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 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 and 1 January 2025	**965,915**	**371,181**	**2,765,798**	**4,102,894**
Transfers	**(600,137)**	**326,901**	**273,236**	**–**
Written-off	**–**	**–**	**(7,770,210)**	**(7,770,210)**
(Reversal) provision recognised in profit or loss during the year	**(312)**	**803,581**	**7,013,253**	**7,816,522**
As at 31 December 2025	**365,466**	**1,501,663**	**2,282,077**	**4,149,206**

50. 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 follows:

	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 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 and 1 January 2025	**501,956**	**4,102,894**	**4,604,850**
Written-off	**(765,543)**	**(7,770,210)**	**(8,535,753)**
Provision recognised in profit or loss during the year	**470,501**	**7,816,522**	**8,287,023**
As at 31 December 2025	**206,914**	**4,149,206**	**4,356,120**

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50. 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, 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 2025. Various plans and measures as explained in note 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 2025.

	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 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
As at 31 December 2025					
Accrued construction costs	**13,099,021**	–	–	–	**13,099,021**
Borrowings	**38,448,442**	**3,858,102**	**48,407,592**	**37,190,645**	**127,904,781**
Other payables	**34,505,572**	**7,395**	–	–	**34,512,967**
Lease liabilities	**30,111**	**14,420**	**43,261**	**24,460**	**112,252**
	86,083,146	**3,879,917**	**48,450,853**	**37,215,105**	**175,629,021**

50. 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 and liabilities 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 2024				
Assets				
Financial assets at FVTPL	907,510	993,480	343,510	2,244,500
Liabilities				
Financial liabilities at FVTPL	–	–	–	–
As at 31 December 2025				
Assets				
Financial assets at FVTPL	**574,614**	**355,935**	**285,470**	**1,216,019**
Liabilities				
Financial liabilities at FVTPL	**–**	**–**	**1,040,721**	**1,040,721**

There was no transfer into or out of level 3 during the year ended 31 December 2025 and 2024.

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

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50. 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 2025, 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 2025 and 2024:

	2025 RMB'000	2024 RMB'000
As at 1 January	**343,510**	3,392,188
Disposal	**(15,091)**	(16,381)
Disposal of subsidiaries	**–**	(4,000)
Net fair value loss recognised in profit or loss	**(46,584)**	(113,874)
Transferred to other receivables	**–**	(2,913,256)
Exchange realignment	**3,635**	(1,167)
As at 31 December	**285,470**	343,510

The following table presents the changes in level 3 financial liabilities for the year ended 31 December 2025 and 2024:

	2025 RMB'000	2024 RMB'000
As at 1 January	**–**	–
Issued of MCBs on 15 September 2025 upon Debt Restructuring (Notes 2.1, 8(b) and 36)	**1,820,584**	–
Conversion of Tranche A MCB into shares during the year (note 36 and 38(b))	**(43,531)**	–
Fair value changes	**(714,130)**	–
Exchange realignment	**(22,202)**	–
As at 31 December	**1,040,721**	–

50. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

(b) Fair value estimation (Continued)

(iii) Financial instruments in level 3 (Continued)

Additions and derecognition of financial assets during the year ended 31 December 2025 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 2025 amounting to about RMB46,584,000 (2024: RMB113,874,000) which was recognised in the profit or loss for the year ended 31 December 2025.

The fair values of the Group's major investments in unlisted equity securities as at 31 December 2025 and 31 December 2024 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 2025 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	0.8 to 11.36 (2024: 0.63 to 10.26)	Market approach	Price to book ratios	Increase/(decrease) in price to book ratios would result in increase/(decrease) in fair value
	20.4% (2024: 20.5%)		Discount for lack of marketability	Increase/(decrease) in discount rate would result in (decrease)/increase in fair value
Other financial asset	0% (2024: 0%)	Income approach	Expected growth rate	Increase/(decrease) in expected growth rate would result in increase/(decrease) in fair value
	17% (2024: 13%)		Discount rate	Increase/(decrease) in discount rate would result in (decrease)/increase in fair value
Convertible bonds	84%-121% (2024: N/A)	Monte-Carlo Simulation	Expected volatility rate	Increase/(decrease) in expected volatility rate would result in (decrease)/increase in fair value
	3.6%-4.1% (2024: N/A)		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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

50. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (Continued)

(b) Fair value estimation (Continued)

(iii) Financial instruments in level 3 (Continued)

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 2025 and 2024 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

	2025		2024	
	Carrying amount RMB'000	**Fair value RMB'000**	Carrying amount RMB'000	Fair value RMB'000
Borrowings				
– Senior Notes	**773,168**	**41,751**	83,273,840	4,959,984
– New Senior Notes	**33,466,715**	**30,175,740**	–	–

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 2025 and 2024.

51. 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 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)	–
Advances (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)	–
At 31 December 2024 and 1 January 2025	**1,063,227**	**4,464,817**	**704,880**	**135,073,562**	**571,010**
Proceeds from bank and other borrowings	**–**	**–**	**–**	**1,000**	**–**
Repayments of bank and other borrowings	**–**	**–**	**–**	**(1,052,193)**	**–**
Advances (repayments), net	**(29,561)**	**44,954**	**(303)**	**–**	**–**
Payment of lease liabilities	**–**	**–**	**–**	**–**	**(66,362)**
Total change from financial cash flows	**1,033,666**	**4,509,771**	**704,577**	**134,022,369**	**504,648**
Non-cash changes					
– exchange differences	**–**	**–**	**–**	**(972,352)**	**3,034**
– finance expenses recognised	**–**	**–**	**–**	**12,373,225**	**3,129**
Other changes (note)	**–**	**–**	**–**	**(12,000,604)**	**(415,395)**
Derecognised upon Debt restructuring	**–**	**–**	**–**	**(82,317,859)**	**–**
Issue New Senior Notes upon Debt restructuring	**–**	**–**	**–**	**32,691,066**	**–**
Acquisitions of subsidiaries	**–**	**92,203**	**–**	**–**	**–**
At 31 December 2025	**1,033,666**	**4,601,974**	**704,577**	**83,795,845**	**95,416**

Note:

Other changes mainly represent the interest capitalisation, additions to new lease liabilities, decrease in other payables included in operating activities and non-cash transaction.

52. 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.

53. 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

	2025 RMB'000	2024 RMB'000
Other income from associates	**12,879**	3,337
Other income from joint ventures	**27,272**	13,246
Property management fee income from associates	**15,728**	22,839
Property management fee income from joint ventures	**37,069**	61,001
Other expenses paid to associates	**–**	284
Other expenses paid to joint ventures	**20,630**	16,367
Rental expenses charged by the Controlling Shareholder (Note below)	**570**	570

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.

53. RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

	2025 RMB'000	2024 RMB'000
Loan from a related company (note 35)	**(108,781)**	(108,781)
Loan from the Controlling Shareholder (note 35)	**(115,000)**	(115,000)
Trade receivables from associates, net of ECL	**205,518**	202,219
Trade receivables from joint ventures, net of ECL	**515,278**	544,268
Amounts due from associates, net of ECL (note 28)	**2,425,550**	2,751,573
Amounts due from joint ventures, net of ECL (note 28)	**11,366,020**	14,027,935
Amounts due to associates (note 33)	**(1,033,666)**	(1,063,227)
Amounts due to joint ventures (note 33)	**(4,601,974)**	(4,464,817)
Interest payable to a related company (included in accrued interest in other payables)	**(235,535)**	(235,535)

(c) Key management compensation

	2025 RMB'000	2024 RMB'000
Directors' fee	**4,724**	7,985
Salaries and other short-term employee benefits	**12,578**	27,534
Discretionary bonuses	**–**	55
Retirement scheme contributions	**153**	503
Share-based payments	**–**	943
	17,455	37,020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

54. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

The statement of financial position of the Company as at 31 December 2025 is as follows:

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Investments in subsidiaries		**43,566,719**	53,907,270
Current assets			
Deposits and other receivables		**144**	146
Cash and bank balances		**1,550**	4,772
Total current assets		**1,694**	4,918
Current liabilities			
Borrowings		**–**	82,731,181
Other payables		**167,376**	30,780,610
Convertible bonds		**57,265**	–
Total current liabilities		**224,641**	113,511,791
Net current liabilities		**(222,947)**	(113,506,873)
Total assets less current liabilities		**43,343,772**	(59,599,603)
Non-current liabilities			
Borrowings		**33,466,715**	–
Convertible bonds		**983,456**	–
Total non-current liabilities		**34,450,171**	–
Net assets (liabilities)		**8,893,601**	(59,599,603)
EQUITY			
Share capital	38	**850,316**	613,530
Perpetual capital securities	39	**–**	1,350,054
Share premium	40	**6,457,420**	6,376,801
Reserves		**1,585,865**	(67,939,988)
Total equity (deficit)		**8,893,601**	(59,599,603)

54. 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)/ retained earnings RMB'000	Total RMB'000
As at 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 and 1 January 2025	**24,835**	**(67,964,823)**	**(67,939,988)**
Profit and total comprehensive income for the year	**–**	**69,525,853**	**69,525,853**
As at 31 December 2025	**24,835**	**1,561,030**	**1,585,865**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

55. 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 follows:

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 2025	2024	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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55. 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 2025	2024	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 2025

55. 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 2025	2024	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

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55. 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 2025	2024	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
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
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

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55. 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 2025	2024	Principal activities
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

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55. 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 2025	2024	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 2025

55. 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 2025	2024	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

55. 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 2025	2024	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 2025

55. 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 2025	2024	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

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For the year ended 31 December 2025

55. 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 2025	2024	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

55. 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 2025	2024	Principal activities
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
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	**51%**	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	**51%**	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

55. 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 2025	2024	Principal activities
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
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

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For the year ended 31 December 2025

55. 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 2025	2024	Principal activities
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
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
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

55. 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 2025	2024	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

* Deregistration during the year
\# Disposal 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 2025

55. 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 2025 and 31 December 2024:

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	
		2025	2024	**2025**	2024	**2025**	2024
				RMB'000	RMB'000	**RMB'000**	RMB'000
深圳市佳兆業致遠諮詢管理有限公司 ("Shenzhen Kaisa Zhiyuan")	the PRC	**49%**	49%	–#	–#	**2,449,987**	2,449,988
廣州市佳業輝鴻房地產開發有限公司 ("Guangzhou Jiaye")	the PRC	**45%**	45%	**(94,985)**	(34,173)	**1,077,017**	1,172,002

Amount less than RMB1,000

55. 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 Jiaye RMB'000	Shenzhen Kaisa Zhiyuan RMB'000
As at 31 December 2024		
Current assets	6,837,055	5,049,465
Non-current assets	–	–
Current liabilities	(3,504,706)	(49,490)
Non-current liabilities	(727,900)	–
Equity	2,604,449	4,999,975
Equity attributable to owners of the Company	1,432,447	2,549,987
Equity attributable to non-controlling interests	1,172,002	2,449,988
Year ended 31 December 2024		
Revenue	88,482	–
Loss for the year	(75,940)	(1)
Other comprehensive expenses for the year	–	–
Total comprehensive expenses attributable to owners of the Company	(41,767)	(1)
Total comprehensive expenses attributable to the non-controlling interests	(34,173)	–#
Total comprehensive expenses for the year	(75,940)	(1)
Net cash used in operating activities	(7,020)	(1)
Net cash used in investing activities	(14,465)	–
Net cash used in financing activities	(66,918)	–
Net cash outflow	(88,403)	(1)
As at 31 December 2025		
Current assets	**6,239,652**	**5,049,464**
Non-current assets	**–**	**–**
Current liabilities	**(3,173,090)**	**(49,490)**
Non-current liabilities	**(673,190)**	**–**
Equity	**2,393,372**	**4,999,974**
Equity attributable to owners of the Company	**1,316,355**	**2,549,987**
Equity attributable to non-controlling interests	**1,077,017**	**2,449,987**
Year ended 31 December 2025		
Revenue	**349,166**	–
Loss for the year	**(211,077)**	**(1)**
Other comprehensive expenses for the year	**–**	**–**
Total comprehensive expenses attributable to owners of the Company	**(116,092)**	**(1)**
Total comprehensive expenses attributable to the non-controlling interests	**(94,985)**	**–#**
Total comprehensive expenses for the year	**(211,077)**	**(1)**
Net cash used in operating activities	**(21,514)**	**(1)**
Net cash generated from investing activities	**1,353**	**–**
Net cash used in financing activities	**(53,955)**	**–**
Net cash outflow	**(74,116)**	**(1)**

Amount less than RMB1,000

56. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed elsewhere in these consolidated financial statements, the Company had the following significant events after reporting period and up to the date of this annual report:

(i) Disposal of 30.1210% effective interest of Qinghai Pharmaceutical Co. Ltd.

On 18 March 2026, a wholly-owned subsidiary of the Company (as "Vendor") and Kaisa Health Group Holding Limited ("Kaisa Health", a subsidiary of the Company) (as "Purchaser") entered into the Agreement pursuant to which the Vendor conditionally agreed to sell, and Kaisa Health conditionally agreed to purchase, the sale shares, representing the entire issued share capital of the Embrace Blossom Limited (a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor), for the consideration in the amount of RMB21,603,729 (equivalent to approximately HK$24,412,214), which will be fully satisfied by, assuming the share consolidation having taken effect, the allotment and issue of 2,789,967 consideration shares at the issue price of HK$8.75 per consideration share by Kaisa Health to the Vendor upon the completion.

Embrace Blossom Limited holds the entire issued share capital of Sino Globe Limited, which holds a 99% equity interest of Chenghe Industrial Development (Dongguan) Co., Ltd., which in turn directly holds the entire issued share capital of Kaisa Healthcare Investment, which in turn directly holds a 54.84% equity interest of the Qinghai Pharmaceutical Co. Ltd. The Qinghai Pharmaceutical Co. Ltd. is engaged in the research and development, manufacturing, and sale of pharmaceutical products (including anaesthetic products) in the PRC.

Details of the above are set out in the Company's announcement dated 18 March 2026.

(ii) 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.

FINANCIAL SUMMARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	**4,064,514**	4,317,377	5,029,514	4,456,386	5,245,085
Right-of-use assets	**390,833**	611,554	598,175	574,378	626,471
Investment properties	**7,389,800**	8,409,800	9,016,710	9,452,400	20,262,500
Land use rights	**333,899**	364,866	379,176	395,098	672,088
Investments in associates	**12,879,827**	14,381,513	22,254,794	25,155,266	7,088,114
Investments in joint ventures	**7,304,010**	7,446,149	8,450,839	8,166,590	12,997,981
Financial assets at fair value through profit or loss	**641,405**	1,336,990	4,562,844	6,359,654	7,912,876
Deposits and other receivables	**8,300**	3,649	28,608	26,553	25,000
Goodwill and intangible assets	**844,105**	875,898	939,729	974,984	1,008,724
Long-term bank deposits	**–**	–	–	–	700,000
Deferred tax assets	**1,108,459**	1,111,395	1,362,966	1,509,410	1,201,915
Total non-current assets	**34,965,152**	38,859,191	52,623,355	57,070,719	57,740,754
Current assets					
Properties under development	**63,505,030**	73,658,253	71,497,787	91,871,852	84,231,134
Completed properties held for sale	**14,115,500**	17,531,998	20,484,100	16,465,066	15,951,492
Inventories	**313,737**	386,519	378,757	347,600	518,561
Deposits for land acquisition	**2,513,325**	2,483,257	2,425,322	226,434	19,391,786
Prepayments for proposed development projects	**36,144,399**	36,964,847	36,555,406	38,581,706	37,482,981
Trade receivables, prepayments, deposits and other receivables	**30,414,704**	37,497,730	44,486,906	52,575,325	55,356,621
Prepaid taxes	**–**	–	–	519,266	658,793
Restricted bank balances and cash	**1,054,872**	1,692,711	2,406,284	3,713,407	11,110,309
Financial assets at fair value through profit or loss	**574,614**	907,510	967,978	904,837	3,127,408
Short-term bank deposits	**–**	–	–	–	1,500,000
Cash and bank balances	**544,685**	697,649	994,771	2,067,642	3,060,184
Total current assets	**149,180,866**	171,820,474	180,197,311	207,273,135	232,389,269

FINANCIAL SUMMARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Current liabilities					
Contract liabilities	**13,174,530**	18,520,388	20,325,482	36,629,118	44,788,870
Accrued construction costs	**13,099,021**	11,517,764	8,695,203	12,409,696	18,597,466
Income tax payable	**12,967,619**	12,651,233	12,958,433	12,569,282	12,819,884
Lease liabilities	**24,698**	145,110	135,416	127,418	134,041
Borrowings	**36,152,156**	118,077,834	117,051,570	109,892,414	104,743,370
Other payables	**38,483,148**	61,923,817	46,474,111	30,091,531	19,750,707
Convertible bonds	**57,265**	–	–	–	–
Total current liabilities	**113,958,437**	222,836,146	205,640,215	201,719,459	200,834,338
Net current assets (liabilities)	**35,222,429**	(51,015,672)	(25,442,904)	5,553,676	31,554,931
Total assets less current liabilities	**70,187,581**	(12,156,481)	27,180,451	62,624,395	89,295,685
Non-current liabilities					
Lease liabilities	**70,718**	425,900	441,389	467,704	491,473
Borrowings	**47,643,689**	16,995,728	16,572,447	24,275,535	26,963,124
Other payables	**7,395**	4,433	5,876	18,548	19,350
Convertible bonds	**983,456**	–	–	–	–
Deferred tax liabilities	**2,035,421**	2,159,258	2,436,384	2,617,644	2,739,722
Total non-current liabilities	**50,740,679**	19,585,319	19,456,096	27,379,431	30,213,669
Net assets (liabilities)	**19,446,902**	(31,741,800)	7,724,355	35,244,964	59,082,016
EQUITY					
Share capital	**850,316**	613,530	613,530	613,530	613,530
Share premium	**6,457,420**	6,376,801	6,376,801	6,376,801	6,376,801
Perpetual capital securities	**–**	1,350,054	1,350,054	1,350,054	1,350,054
Reserves	**3,610,077**	(48,917,181)	(20,389,495)	(477,548)	12,690,673
Equity (deficit of equity) attributable to owners of the Company	**10,917,813**	(40,576,796)	(12,049,110)	7,862,837	21,031,058
Non-controlling interests	**8,529,089**	8,834,996	19,773,465	27,382,127	38,050,958
Total equity (deficit of equity)	**19,446,902**	(31,741,800)	7,724,355	35,244,964	59,082,016

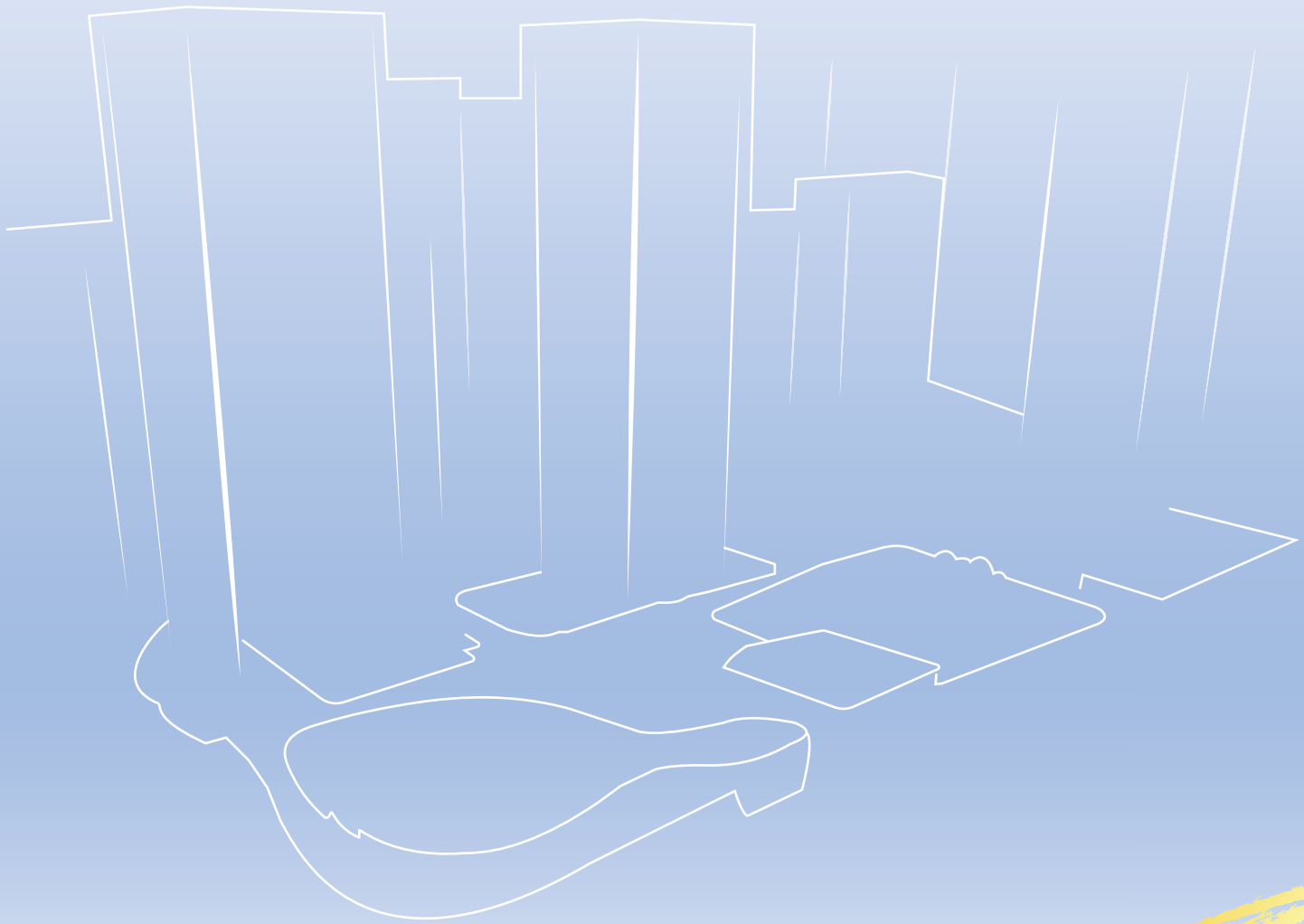
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	**9,500,222**	11,560,734	26,158,767	25,390,022	35,544,684
Cost of sales	**(9,048,386)**	(11,322,837)	(24,460,265)	(21,997,576)	(30,916,419)
Gross profit	**451,836**	237,897	1,698,502	3,392,446	4,628,265
Other income, gains and losses, net	**(18,816,094)**	(15,006,119)	(7,802,732)	(8,881,629)	(7,262,310)
Gain on Debt Restructuring	**85,373,896**	–	–	–	–
Selling and marketing costs	**(287,021)**	(453,731)	(591,952)	(568,666)	(1,611,875)
Administrative expenses	**(1,058,405)**	(1,388,135)	(1,901,110)	(2,620,064)	(3,588,635)
Fair value loss of investment properties, net	**(471,350)**	(769,560)	(408,900)	(232,508)	(1,822,651)
Gain (loss) on disposals of subsidiaries, net	**18**	(1,137,880)	(619,793)	(68,721)	392,360
Loss on deemed disposals of subsidiaries, net	**–**	–	–	(678,692)	–
Impairment loss recognised	**(8,078,279)**	(5,533,950)	(4,701,719)	(1,011,958)	(2,875,764)
Operating profit (loss)	**57,114,601**	(24,051,478)	(14,327,704)	(10,669,792)	(12,140,610)
Share of results of associates	**(1,493,449)**	(2,121,921)	(2,919,188)	(619,919)	(115,327)
Share of results of joint ventures	**(142,139)**	(965,039)	288,216	(113,133)	(324,699)
Fair value gain of financial derivatives	**–**	–	–	–	27,450
Finance income	**7,011**	19,362	48,751	286,165	689,893
Finance costs	**(2,679,107)**	(1,966,489)	(1,785,323)	(1,795,311)	(1,710,160)
Profit (loss) before income tax	**52,806,917**	(29,085,565)	(18,695,248)	(12,911,990)	(13,573,453)
Income tax (expenses) credit	**(481,374)**	(143,350)	(1,006,350)	(99,936)	315,050
Profit (loss) for the year	**52,325,543**	(29,228,915)	(19,701,598)	(13,011,926)	(13,258,403)

FINANCIAL SUMMARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other comprehensive (expenses) income for the year, net of tax					
Items that will be reclassified subsequently to profit or loss:					
Share of other comprehensive (expenses) income of associates	**(4,860)**	5,640	(2,602)	60	(268)
Reclassification of cumulative translation reserve upon Disposal of a foreign operation	**–**	–	9,462	–	–
Exchange differences on translation of foreign operations	**(17,930)**	(4,410)	17,256	18,030	(23,562)
Other comprehensive (expenses) income for the year	**(22,790)**	1,230	24,116	18,090	(23,830)
Total comprehensive income (expenses) for the year	**52,302,753**	(29,227,685)	(19,677,482)	(12,993,836)	(13,282,233)
Profit (loss) for the year attributable to:					
Owners of the Company	**52,554,898**	(28,533,737)	(19,932,153)	(13,064,558)	(12,726,728)
Non-controlling interests	**(229,355)**	(695,178)	230,555	52,632	(531,675)
	52,325,543	(29,228,915)	(19,701,598)	(13,011,926)	(13,258,403)
Total comprehensive income (expenses) for the year attributable to:					
Owners of the Company	**52,527,434**	(28,530,472)	(19,916,594)	(13,049,239)	(12,758,281)
Non-controlling interests	**(224,681)**	(697,213)	239,112	55,403	(523,952)
	52,302,753	(29,227,685)	(19,677,482)	(12,993,836)	(13,282,233)



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