



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

KAISA GROUP

2023 INTERIM REPORT



* For identification purposes only

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CORPORATE INFORMATION

DIRECTORS

Executive Directors

Mr. KWOK Ying Shing *(Chairman)*
Mr. SUN Yuenan *(Vice Chairman)*
Mr. MAI Fan *(Vice Chairman)*
Mr. LI Haiming
Mr. KWOK Hiu Kwan

Non-Executive Director

Ms. CHEN Shaohuan

Independent Non-Executive Directors

Mr. RAO Yong
Mr. ZHANG Yizhao
Mr. LIU Xuesheng

AUDIT COMMITTEE

Mr. RAO Yong *(Chairman)*
Mr. ZHANG Yizhao
Ms. CHEN Shaohuan

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

AUTHORISED REPRESENTATIVES

Mr. SUN Yuenan
Mr. MAI Fan

COMPANY SECRETARY

Mr. YU Kwok Leung

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEADQUARTERS IN THE PRC

Room 3306, Kerry Center
Ren Min Nan Road
Luohu
Shenzhen
China

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

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road
George Town
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 Mallesons

As to Cayman Islands law:

Harney Westwood & Riegels

AUDITOR

Elite Partners CPA Limited

LISTING INFORMATION

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

COMPANY'S WEBSITE

<http://www.kaisagroup.com>

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the “**Board**”) of Kaisa Group Holdings Ltd. (“**Kaisa**” or the “**Company**”, which together with its subsidiaries is referred to as the “**Group**”), I present the results of the Group for the six months ended 30 June 2023 (the “**period**”) and the comparative figures for the corresponding period in 2022.

RESULTS AND DIVIDEND

For the six months ended 30 June 2023, the Group’s turnover and gross profit reached approximately RMB13,564.6 million and RMB2,972.9 million, representing an increase of approximately 1.0% and 28.7% as compared to the corresponding period in 2022, respectively. Loss attributable to equity holders of the Company and basic loss per share amounted to approximately RMB6,973.9 million and RMB0.994, respectively (corresponding period in 2022: loss of approximately RMB7,672.6 million and basic loss per share of RMB1.104).

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

BUSINESS REVIEW

Property Market and Policies

Since the beginning of the year, the international environment has been complicated and severe. The global economy endured a weak recovery and the inflation level remained relatively high. The spillover effects of tightening monetary policy in major economies have been prominent. Against this backdrop, the steady recovery of China’s economy is still under pressure. As a pillar industry of the national economy, the real estate market cooled down significantly in the second quarter and the pressure of adjustment continued to increase, which became an important factor dragging down the economic growth.

In respect of the property market, the Central Government maintained the general principle of “risk prevention and city-specific policies” in the first half of the year, and the policies which have been issued are mostly related to the optimization and adjustment of the existing systems. The strength of the policies is limited to “support but not to lift”. The overall performance of the real estate market in the first half of the year fell after rising initially. In the first quarter, driven by factors such as the intensive release of pent-up demand and the satisfactory outcome brought by previous policies, the market vitality was enhanced. In the second quarter, however, with the previous pent-up demand being basically released, the market failed to continue its upturn due to a rapid decline in homebuyer sentiment and the lower-than-expected effect of real estate targeted policies. In the first half of the year, the national property market has remained in doldrums. Demand for housing loans remained weak, and the overall financing environment for real estate enterprises was still not optimistic.

The Political Bureau of the Communist Party of China Central Committee held a meeting on 24 July 2023, making a historic change in the policy stance on real estate. The meeting pointed out that, in response to the new circumstance of significant changes in the relationship between supply and demand in China’s real estate market, timely adjustment and optimization of real estate policy shall be undertaken and city-specific policies shall be adopted while making full use of the policy toolbox to better meet the demand of residents for rigid and improvement-oriented housing, and to promote the stable and healthy development of the real estate market. In the future, real estate policies are expected to be further optimized and relaxed, while the transformation of urban villages is expected to speed up, and the market is expected to stop deteriorating and stabilize.

Securing Livelihood, Ensuring Delivery, and Guaranteeing Quality

For the six months ended 30 June 2023, the Group together with its joint ventures and associates recorded contracted sales of approximately RMB12,190 million.

Kaisa seized the window period of market rebound in the first quarter, adopting flexible marketing strategies and stepping up efforts in project launch and sales. Under the backdrop of continued market downturn in the second quarter, the Dongguan Le Grand Bleu project of the Group was still well-received by the market, ranking first both in terms of number of units sold and GFA sold in Dongguan in the first half of 2023.

During the period, Kaisa consolidated its responsibilities, overcame difficulties, and resolutely implemented the work of "securing livelihood, ensuring delivery, and guaranteeing quality". Before project delivery, the customer service team ensured construction quality from the perspective of customers and carried out several rounds of simulated inspection and acceptance to strictly control delivery quality. One-stop occupancy services were provided to property owners at the delivery sites, and property owners were accompanied by professional home inspector one-on-one throughout the inspection and acceptance process. In the first half of 2023, the Group delivered a total of approximately 21,000 units in 33 projects in various cities including Shenzhen, Guangzhou, Shanghai, Hangzhou, Nanjing, Huizhou, Wuhan, Changsha and Luoyang etc., reaching the level of total annual delivery volume of the last year.

Stepping into the new competition cycle, Kaisa has always insisted on putting products as first priority, designing and building high-quality and high-standard products based on customers' needs. During the first half of the year, various projects delivered by the Group, including Guangzhou Yuejiang Mansion, Guangzhou Fengming Mountain, Shenzhen Yuebanshan and Wuhan New Riverside City etc., met the nationally certified 2-star green building standard, amounting to a total GFA of approximately 1.13 million sq.m.. Adhering to the concept of green design, Kaisa is committed to achieving sustainable social benefits by controlling the energy consumption of buildings to provide customers with comfortable working and living environments while minimizing the negative impacts of urban development on the ecological environment.

Land Bank

Deepening its penetration in the first-tier and major second-tier cities has always been the development strategy of the Group. As at 30 June 2023, the Group together with its joint ventures and associates has a total of 193 real estate projects with saleable resources in 50 cities nationwide, with a total land bank of 26.46 million sq.m., of which approximately 16.16 million sq.m. or 61% of the Group's total land bank are located in the Greater Bay Area. Among cities in the Greater Bay Area, Shenzhen and Guangzhou are the Group's core markets that have been intensely developed over the years, accounting for 37% of its land bank in the Greater Bay Area.

Urban Renewal

In July 2023, the Guiding Opinions on the Active and Steady Promotion of Urban Village Transformation in Supercities and Megacities (《關於在超大特大城市積極穩步推進城中村改造的指導意見》) was considered and approved at the State Council executive meeting. The Opinions point out that in mega cities, efforts shall to be made to increase policy support for urban village transformation, actively innovate transformation modes, and encourage and support the participation of private capital. The Opinions are of guiding significance to the current urban renewal market, guiding a new direction for future urban construction, housing development, and corporate investment, and also implying that the transformation of urban villages will become an important task for supercities and megacities this year.

Focusing on the Greater Bay Area, "Industry Going Upstairs" and domination of state-owned enterprises are two policy highlights. Shenzhen has vigorously promoted the policy of "Industry moving up", and under the target of providing 100 million square meters of industrial scale in five years, great policy benefits have been released. It was proposed that the ratio of residential units of projects under "Industry moving up" is allowed to be 30% for the purpose of solving the difficulties in accounting treatment for industrial projects. At the same time, it allows policy breakthroughs in respect of rigid constraints including legal ratios, industrial zone lines and comprehensive renovation of urban villages. The policy of "Industry moving up" can help to speed up the revitalization of the Groups' industrial transformation projects.

Guangzhou has launched a land preparation policy; according to the principle of separating works of land preparation from that of inclusion into land reserve, the specific preliminary works of land consolidation are delegated to the land preparation entity. Following the land clearance, application will be made to the land reserve authority for storage. At the same time, the government policy stipulates that land preparation entities are limited to state-owned enterprises recognized by the government. The policy further strengthens the government's coordination and management of the primary land market. Dongguan has comprehensively reformed the "single-entity quotation" model and shifted to the "open invitation for implementing entities" model. On the one hand, preliminary service providers have been abolished, and government coordination of preliminary work has been strengthened. On the other hand, the approval process has been simplified to enhance openness and transparency, and the original 19 processes have been consolidated into four stages, namely, preliminary work, confirmation of the implementing entity, implementation of the project, and supervision on development, so that any market participants could be the implementing entity of the project through public bidding and complete the land consolidation of the renovation within a time limit.

Generally speaking, under the guidance of the government, central enterprises and state-owned enterprises have increasingly become the major players in the urban renewal market. Apart from taking over the equity of a number of projects under the initiative of securing project delivery, they are also further expanding into new areas such as village coordination, renovation of old communities and inventory renovation projects. In the future, expanding cooperation with state-owned enterprises and central enterprises will become an important path for the Group's urban renewal investment and transformation.

With 24 years of experience in urban renewal, the Group has now deployed more than ten core cities and regions across the country. Of these, most of the renewal projects are located in the Greater Bay Area. As at 30 June 2023, the Group together with its joint ventures and associates had over a hundred urban renewal projects in the Greater Bay Area which were yet to be converted into land bank of the Group, covering a site area of over 50 million sq.m.. The Group plans to replenish the land bank for urban renewal as high-quality sources of product and at the same time to provide a full-process renewal service model, empowering industrial upgrading and practicing high-quality and sustainable development.

Financial Management

As at 30 June 2023, the Group's cash and bank deposits (including bank deposits, cash and bank balances and restricted cash) amounted to approximately RMB4.5 billion. The Group's liabilities to assets ratio excluding receipts in advance (including contract liabilities) increased to 90.2%; net gearing ratio increased to 602.3%; and cash to short-term debt ratio (excluding restricted cash) was 0.01.

Financing

In the first half of 2023, although the financing environment continued to improve, the financing scale was weak and the industry differentiation intensified. On the one hand, the government has actively expressed its position to guide the expected recovery of the real estate market, optimized the adjustment of systems and policies including mortgage interest rates and centralized land supply, and cut required reserve ratio and interest rate at the financial level to stabilize the economy. Several departments have also stressed that it is necessary to promote the normal cycle among finance and real estate and implement the "16 Financial Measures" and so on, demonstrating a positive trend of the financing policies. On the other hand, the current financing opening was still limited to high-quality real estate enterprises, and the overall industry financing was still in the bottoming stage, which has not fully recovered. It was still obvious that financing was difficult and cost-consuming for most private housing enterprises.

Against such backdrop, the Group persisted in proactively making great efforts in debt management and took the lead in resumption of trading, becoming the first real estate enterprise to resume trading in 2023 with stabilized operating fundamentals. At the same time, the Group actively negotiated extension of financing and interest rate cuts. During the period, the Group introduced cooperations for some projects and realized revitalization, and it will further promote the implementation of cooperative revitalization plans for various projects during the year. Relying on the abundant land bank in the Greater Bay Area and the core advantages in the field of urban renewal, the Group will continue to explore practical development paths and promote the accelerated revitalization of core assets and onshore and offshore debt restructuring.

Accelerated Revitalization of Core Assets

In order to actively respond to national policies and boost market confidence, under the guidance of the government, Kaisa introduced Futian Ancheng Investment (福田安城投), a state-owned enterprise, and cooperated with central enterprises and state-owned enterprises such as China Great Wall AM, Anju Construction (安居建業), Futian Investment Holdings and Jian'an Group to jointly construct The Corniche Project (天宸項目), a benchmark for high-quality residence in Shenzhen Futian CBD. The Group's active exploration and practice of the new development path of "private real estate enterprise + AMC + state-owned real estate enterprise" will further accelerate the revitalization of core assets and stabilize the recovery of the operating fundamentals.

PROSPECTS

Looking ahead, under the combination effect of a series of factors including global trade frictions, continued geo-political conflicts and high inflation in developed countries, the recovery of the global economy is still under great pressure. With rather low inflation pressure, loosened monetary policies, and effective implementation of various measures to stabilize growth in China in future, the national economic growth will see a gradual recovery.

After the economic growth momentum surged and suffered a plunge in the first half of the year, it is expected to increase in the second half of the year with the support of policies. It is expected that there will be more policies to stabilize growth in the second half of the year and interest rate cuts will lead to a new round of loosening of monetary policies, and there will also be financial supports. In terms of real estate policies, it is expected that the Central Government will reserve certain strategies, and major stimulating policies similar to "930" and "330" rolled out nationwide before may not reappear to prevent "marked ups and downs" in the market. As local policies continue to loosen, considering that the policy tools of core cities are more adequate, the room for loosening is more sufficient, coupled with weakening recovery momentum and differentiated domestic market, core first- and second-tier cities will become the major targets of local loosening.

We believe that the real estate market in China shall remain as a large profit-making market with tens of trillions of revenues in the future and will remain as an important pillar of the national economy. We will take active initiative to mitigate operating risks and get back on the right track of healthy development while giving full play to our comprehensive capabilities as an "urban public service provider" and our professional advantages in urban renewal, so as to seize market opportunities and achieve high quality and sustainable development of the enterprise.

ACKNOWLEDGEMENT

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

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

KWOK Ying Shing

Chairman

Hong Kong, 30 August 2023

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

During the six months ended 30 June 2023, the Group recorded a revenue of approximately RMB13,564.6 million, representing an increase of 1.0% as compared with approximately RMB13,431.4 million for the corresponding period in 2022. Loss for the period amounted to approximately RMB6,600.5 million as compared to loss for the period amounted to RMB7,757.8 million for the six months ended 30 June 2022. Loss for the period attributable to owners of the Company amounted to approximately RMB6,973.9 million as compared to loss of approximately RMB7,672.6 million for the six months ended 30 June 2022. Basic loss per share amounted to RMB0.994 (six months ended 30 June 2022: loss of RMB1.104).

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

CONTRACTED SALES IN THE FIRST HALF OF 2023

In the first half of 2023, the Group together with its joint ventures and associates recorded contracted sales of approximately RMB12,190 million. Aggregated GFA sold for the period was 671,906 sq. m.. The table below shows the contracted sales by region in the first half of 2023:

Region	Contracted sales area (sq.m.)	Contracted sales amount (RMB in millions)
Greater Bay Area	391,193	8,919
Yangtze River Delta	94,274	1,719
Central China	98,578	1,015
Western China	73,572	318
Pan-Bohai Bay Rim	14,289	219
Total	671,906	12,190

Property Development

Projects completed in the first half of 2023

The Group adopts a strict and prudent practice in project development and adjusts its pace of business expansion as and when appropriate. During the six months ended 30 June 2023, the GFA of newly completed projects of the Group together with its joint ventures and associates amounted to approximately 1.67 million sq. m..

Projects under development

As at 30 June 2023, the Group together with its joint ventures and associates had 84 projects under development with an aggregate of GFA of approximately 11.08 million sq. m..

Property management

The Group generated revenue from providing property management services. During the six months ended 30 June 2023, the Group managed a total GFA of approximately 101.6 million sq. m.. The Group's property management is striving to deliver excellent and professional services to its customers and enhance brand and corporate image. As at 30 June 2023, the Group's property services penetrated into 68 cities nationwide, covering residential, commercial, office, tourism and large-scale stadiums.

Investment properties

The Group adopts a diversified business strategy. The portfolio of investment properties generates steady and reliable income and enlarge the overall income base of the Group. The Group develops commercial properties such as office buildings, retail stores and car parks for leasing purpose. In managing its investment property portfolio, the Group takes into account long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 30 June 2023, the Group held 9 investment property projects, with an aggregate GFA of 0.43 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 in the regions. By ways such as joint development, acquisition and bidding, auction and listing as well as urban renewal, the Group continues to seek project resources in China's regions where economy prospers.

As at 30 June 2023, the Group together with its joint ventures and associates had a total land bank of approximately 26.46 million sq. m. and approximately 61% of land bank was located in the Greater Bay Area, which is sufficient for the Group's development needs for the next five years.

FINANCIAL REVIEW

Revenue

The Group's revenue was primarily derived from business segments: (i) property development, (ii) property investment, (iii) property management, (iv) hotel and catering operations, (v) cultural centre operations, (vi) water-way passenger and cargo transportation, (vii) healthcare operations and (viii) others. Revenue increased by 1.0% to approximately RMB13,564.6 million for the six months ended 30 June 2023 from approximately RMB13,431.4 million for the corresponding period in 2022. 86.5% of the Group's revenue was generated from the sales of properties (six months ended 30 June 2022: 84.5%) and 13.5% from other segments (six months ended 30 June 2022: 15.5%).

Sales of properties

Revenue from sales of properties increased by approximately RMB380.5 million, or 3.4%, to approximately RMB11,727.7 million for the six months ended 30 June 2023 from approximately RMB11,347.2 million for the corresponding period in 2022. The increase was attributable to a higher level of selling price of the GFA delivered for the six months ended 30 June 2023. Besides, the total delivered GFA decreased to approximately 0.54 million sq. m. for the six months ended 30 June 2023 from approximately 0.68 million sq. m. for the corresponding period in 2022.

Rental income

Revenue from rental income increased by approximately RMB8.9 million, or 4.7%, to approximately RMB197.5 million for the six months ended 30 June 2023 from approximately RMB188.6 million for the corresponding period in 2022.

Property management

Revenue from property management service increased by approximately RMB12.8 million, or 1.6%, to approximately RMB827.5 million for the six months ended 30 June 2023 from approximately RMB814.8 million for the corresponding period in 2022.

Hotel and catering operations

Revenue from hotel and catering operations of the Group increased by approximately RMB26.7 million, or 20.0% to approximately RMB159.9 million for the six months ended 30 June 2023, from approximately RMB133.2 million for the corresponding period in 2022. The primary reason for the increase was the gradual recovery of the hotel and catering industry in the first half of the year.

Cultural centre operations

Revenue from cultural centre operations decreased by approximately RMB30.1 million, or 26.3%, to approximately RMB84.6 million for the six months ended 30 June 2023 from approximately RMB114.8 million for the corresponding period in 2022. The decrease was mainly due to a decrease in advertising income in cultural centre operations.

Water-way passenger and cargo transportation

No revenue from water-way passenger and cargo transportation was recorded for the six months ended 30 June 2023, compared to approximately RMB232.3 million for the corresponding period in 2022. It was due to the disposal of water-way passenger and cargo transportation operation in the first half of 2022.

Healthcare operations

Revenue from healthcare operations increased by approximately RMB97.1 million, or 44.7%, to approximately RMB314.3 million for the six months ended 30 June 2023 from approximately RMB217.2 million for the corresponding period in 2022. The increase was mainly due to an increase in sales in healthcare operations as a result of an increase in demand.

Gross profit

As a result of the foregoing, the Group's gross profit increased by approximately RMB662.1 million, or 28.7%, to approximately RMB2,972.9 million for the six months ended 30 June 2023 from approximately RMB2,310.8 million for the corresponding period in 2022. The Group's gross profit margin increased from 17.2% for the six months ended 30 June 2022 to 21.9% for the six months ended 30 June 2023, primarily attributable to a higher level of selling price attained in general for the properties completed and delivered to the purchasers during the six months ended 30 June 2023.

Other gains and losses – net

The Group had net other losses of approximately RMB4,035.1 million for the six months ended 30 June 2023, as compared with approximately RMB5,682.5 million for the corresponding period in 2022. The Group's net other gains and losses mainly comprised net fair value losses on financial assets at FVTPL of approximately RMB262.4 million, write-down of completed properties held for sale and properties under development of approximately RMB376.3 million and net exchange losses of approximately RMB3,057.5 million. The Group's net other gains and losses for the six months ended 30 June 2022 mainly comprised net fair value loss on financial assets at fair value through profit or loss of approximately RMB1,889.7 million, and net exchange loss of approximately RMB3,867.8 million.

Selling and marketing costs

The Group's selling and marketing costs increased by approximately RMB202.1 million, or 129.2%, to approximately RMB358.6 million for the six months ended 30 June 2023 from approximately RMB156.5 million for the corresponding period in 2022. The increase in selling and marketing costs was due to the fact that more marketing efforts have been put to accelerate the contracted sales.

Administrative expenses

The Group's administrative expenses decreased by approximately RMB586.5 million, or 42.6%, to approximately RMB789.6 million for the six months ended 30 June 2023 from approximately RMB1,376.1 million for the corresponding period in 2022. The decrease was mainly due to decrease in staff costs.

Net fair value losses on investment properties

The Group's net fair value losses on investment properties decreased by approximately RMB59.1 million, or 32.3%, to approximately RMB124.0 million for the six months ended 30 June 2023 from approximately RMB183.1 million for the corresponding period in 2022.

Finance costs – net

The Group's net finance costs increased by approximately RMB131.9 million, or 16.3% to approximately RMB939.8 million for the six months ended 30 June 2023 from approximately RMB807.9 million for the corresponding period in 2022.

Income tax expenses/credit

The Group's income tax expenses amounted to approximately RMB667.6 million for the six months ended 30 June 2023 as compared to income tax credit of approximately RMB17.1 million for the corresponding period in 2022.

Loss and total comprehensive expense for the six months ended 30 June 2023

As a result of the foregoing, the Group's loss and total comprehensive expense for the six months ended 30 June 2023 amounted to approximately RMB6,600.5 million and approximately RMB6,573.3 million, respectively (six months ended 30 June 2022: loss and total comprehensive expense amounted to approximately RMB7,757.8 million and RMB7,732.3 million, respectively).

Liquidity, financial and capital resources

Cash position

As at 30 June 2023, the carrying amount of the Group's cash and bank deposits was approximately RMB4,512.1 million (31 December 2022: RMB5,781.0 million), representing a decrease of 22.0% as compared to that as at 31 December 2022. Certain property development companies of the Group placed a certain amount of pre-sales proceeds to designated bank accounts as collateral for the construction loans. Such collateral will be released after the completion of the pre-sales properties or the issuance of the title of the properties, whichever is the earlier. Additionally, as at 30 June 2023, certain of the Group's cash was deposited in certain banks as collateral for the benefit of mortgage loan facilities granted by the banks to the purchasers of the Group's properties. The aggregate of the above collaterals (i.e. balance of pre-sale escrow funds) amounted to approximately RMB3,115.2 million as at 30 June 2023 (31 December 2022: RMB3,713.4 million).

Borrowings and charges on the Group's assets

As at 30 June 2023, the Group had aggregate borrowings of approximately RMB137,578.5 million (31 December 2022: 134,167.9 million), of which approximately RMB117,898.6 million (31 December 2022: 109,892.4 million) will be repayable within 1 year, approximately RMB4,909.7 million (31 December 2022: 9,957.6 million) will be repayable between 1 and 2 years, approximately RMB4,020.3 million (31 December 2022: 3,451.0 million) will be repayable between 2 and 5 years and approximately RMB10,749.9 million (31 December 2022: 10,866.9 million) will be repayable over 5 years.

As at 30 June 2023, 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.

Rights Issue

On 30 April 2021, the Company completed a rights issue on the basis of one ordinary rights share for every seven existing shares held on the record date of 14 April 2021 at the subscription price of HK\$2.95 per rights share. 876,552,528 Shares in total were allotted and issued by the Company to the Qualifying Shareholders (as defined in the prospectus of the Company dated 15 April 2021 (the "**Prospectus**")).

The gross and net proceeds raised from the rights issue was approximately HK\$2,586 million and HK\$2,148 million, respectively. As at 31 December 2022, the net proceeds had been fully utilised as intended as general working capital in accordance with the disclosure set out the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in the "LETTER FROM THE BOARD" of the Prospectus.

Key financial ratios

As at 30 June 2023, the Group has a leverage ratio (i.e. its net debts (total borrowings, net of cash and bank balances, short-term bank deposits, long-term bank deposits and restricted cash) over total assets) of 51.9% (31 December 2022: 48.6%). The Group's net current liabilities amounted to approximately RMB10,897.2 million as at 30 June 2023 as compared to net current assets of approximately RMB5,553.7 million as at 31 December 2022. The quick ratio (cash and bank deposits divided by short-term borrowings) was 0.1 times as at 30 June 2023 (31 December 2022: 0.1 times), and the current ratio was 1.0 times as at 30 June 2023 (31 December 2022: 1.0 times).

The net gearing ratio is calculated by dividing total borrowings (including short-term and long-term borrowings and perpetual capital securities) minus cash and cash equivalents (including restricted cash, short-term bank deposits and long-term bank deposits) by the total equity (excluding perpetual capital securities). As of 30 June 2023, the Group's borrowings (including short-term and long-term borrowings and perpetual capital securities) were approximately RMB138,928.5 million (31 December 2022: RMB135,518.0 million), and cash and cash equivalents (including restricted cash, short-term bank deposits and long-term bank deposits) were approximately RMB4,512.1 million (31 December 2022: RMB5,781.0 million). The total equity (excluding perpetual capital securities) was approximately RMB22,318.9 million (31 December 2022: RMB33,894.9 million). Therefore, the net gearing ratio was 602.3%, which is 219.5 percentage points higher than the 382.8% as of 31 December 2022.

The cash to short-term debt ratio is calculated by dividing cash and bank balances (excluding restricted cash and short-term bank deposits) by short-term borrowings. As at 30 June 2023, the Group's cash and bank balances (excluding restricted cash and short-term bank deposits) were approximately RMB1,396.8 million (31 December 2022: RMB2,067.6 million), and short-term borrowings were approximately RMB117,898.6 million (31 December 2022: RMB109,892.4 million). Therefore, the cash to short-term debt ratio was 0.01 (31 December 2022: 0.02).

The liabilities to assets ratio, after excluding contract liabilities, is calculated by subtracting contract liabilities from total liabilities (including perpetual capital securities) and dividing by total assets minus contract liabilities. As of 30 June 2023, the Group's contract liabilities were approximately RMB29,305.8 million (31 December 2022: RMB36,629.1 million), total liabilities (including perpetual capital securities) were approximately RMB233,871.9 million (31 December 2022: RMB230,448.9 million), and total assets were approximately RMB256,190.9 million (31 December 2022: RMB264,343.9 million). The total liabilities (including perpetual capital securities) and total assets, after excluding contract liabilities, were approximately RMB204,566.1 million (31 December 2022: RMB193,819.8 million) and approximately RMB226,885.1 million (31 December 2022: RMB227,714.7 million), respectively. Therefore, the liabilities to asset ratio after excluding contract liabilities was 90.2%, compared to 85.1% of 31 December 2022, representing an increase of approximately 5.1 percentage points.

Cost of borrowings

For the six months ended 30 June 2023, the Group's total cost of borrowings was approximately RMB6,234.3 million, representing an increase of approximately RMB566.3 million or 10.0% as compared with approximately RMB5,667.9 million for the corresponding period in 2022.

Foreign currency risks

The Group's property development projects are substantially located in China and most of the related transactions are settled in RMB. The Company and certain of the Group's intermediate holding companies which operate in Hong Kong have recognised assets and liabilities in currencies other than RMB. As at 30 June 2023, the Group had borrowings in US dollar and HK dollar with an aggregate carrying amount of approximately RMB86,977.2 million, which are subject to foreign currency exposure.

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

Financial guarantees

As at 30 June 2023, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB16,529.2 million (31 December 2022: RMB23,061.5 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, the Group would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but the Group would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage.

As of 30 June 2023, the financial guarantees given by the Group relating to the liabilities of the Group's joint ventures and associates and third parties were approximately RMB22,678.0 million (31 December 2022: RMB23,787.5 million). The proceeds of the financings were mainly applied towards property development projects of the joint ventures and associates of the Group.

Employees and remuneration policy

As at 30 June 2023, the Group had 15,679 employees (31 December 2022: 16,782 employees) including 12,361 employees of Kaisa Prosperity Holdings Limited (2168.HK), 856 employees of Kaisa Health Group Holdings Limited (876.HK) and 113 employees of Kaisa Capital Investment Holdings Limited (936.HK). The related employees' costs (including the directors' remuneration), for the six months ended 30 June 2023 amounted to approximately RMB456.5 million (six months ended 30 June 2022: RMB835.2 million). The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus and cash awards based on individual performance. The Group provides trainings for its employees so that new employees can master the basic skills required to perform their functions and existing employees can upgrade or improve their production skills. Further, the Company adopted a share option schemes and a subsidiary share option scheme. Further information of share option scheme has been set out in the interim report.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30 June 2023, 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	18,601,453
Current assets	233,752,399
Current liabilities	211,900,934
Non-current liabilities	23,410,096
Net assets	17,042,822
Share capital	6,439,787
Reserves	10,603,035
Total equity	17,042,822

As at 30 June 2023, the Group's attributable interests in these affiliated companies amounted to RMB7,275,824,000.

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.

PROJECT PORTFOLIO

AS AT 30 JUNE 2023

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 Kaisa 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	Commercial & Residential
21	Shenzhen Kaisa E Cube	Junction of Huanguan Nan Road and Guantian Road, Guanlan Street, Longhua District	Shenzhen	Commercial & Residential
22	Shenzhen Kaisa Marine Mangrove Bay ⁽⁷⁾	Intersection of Honghua Road and Xiangzhang Road, Futian District	Shenzhen	Residential
23	Shenzhen Kaisa Yuebanshan	Junction of Jiuwei Road and Huangmabu Road, Bao'an District	Shenzhen	Residential

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	794,562	540,349	254,213	-	100%
1-4	869,838	508,670	154,722	195,219	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	310,131	248,071	62,060	-	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%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
24	Shenzhen Tongda Huixuan	Junction of Jianhui Road and Zhicheng Road, Longhua District	Shenzhen	Commercial & Residential
25	Shenzhen Futian Dongshan Project (P1)	No. 8008 Binhe Avenue, Futian District	Shenzhen	Residential
26	Shenzhen Kaisa Metropolis Plaza	Buji Street, Longgang District	Shenzhen	Commercial & Residential
27	Shenzhen Kaisa Sky-high Summit	Guangming Avenue, Guangming District	Shenzhen	Commercial & Residential
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 Sky-high Mansion	Bantian Street, Longgang District	Shenzhen	Residential
32	Shenzhen Kaisa Skyline Residence (Wangling 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, Baoan	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 Kaisa Mansion No. 1	No. 505 Huangpu Avenue, Financial Center, Tianhe District	Guangzhou	Residential
38	Guangzhou Sky Villa	Tongbao Road, Guangzhou Avenue North, Baiyun District	Guangzhou	Residential
39	Guangzhou Sky 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 Yuejiang 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 Yuefeng	Jiuru Village, Ningxi Street, Zengcheng District	Guangzhou	Residential
47	Guangzhou Kaisa Fengming Mountain	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

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	9,321	37,265	37,265	–	–	100%
1	7,590	25,389	–	25,389	–	46%
1	6,033	68,686	–	68,686	–	100%
1	28,841	138,820	–	138,820	–	54%
1	5,427	30,021	–	30,021	–	51%
1	7,241	58,400	–	58,400	–	22%
1	34,422	262,371	–	–	262,371	100%
1	29,500	113,031	–	113,031	–	100%
1	24,781	100,782	–	–	100,782	90%
1	21,051	67,360	–	67,360	–	5%
1-2	108,821	396,085	–	–	396,085	<1%
1-9	14,192	233,322	233,322	–	–	99%
–	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	240,089	592,832	309,647	50,644	232,541	78%
1-3	52,176	328,459	–	48,998	279,461	39%
1-4	158,071	543,007	–	15,768	527,239	39%
1-2	47,626	94,960	23,757	71,203	–	94%
–	22,215	68,704	34,352	34,352	–	100%
1-3	113,300	351,200	–	246,100	105,100	–
1-2	102,392	336,709	35,648	301,061	–	55%
1-3	243,200	393,700	–	–	393,700	79%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
49	Guangzhou Shixi Village Project ⁽³⁾	Shixi Village, Haizhu District	Guangzhou	Residential & Commercial
50	Qingyuan Kaisa City Plaza	South of Guangqing 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	No. 97 Yanbu Huanzhen North Road, Dali Town, Nanhai District	Foshan	Commercial
54	Foshan Kaisa Yuefeng	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
56	Foshan Lunjiao Zefengye Dijingwan	West of Lunchang North Road, Lunjiao Street and north of Guihua Shuichang Road, Shunde District, Foshan City	Foshan	Residential & Commercial
57	Dongguan Zhongyang Haomen	Longsheng Road, Xincheng District, Shilong Town	Dongguan	Residential
58	Dongguan Dongjiang Haomen	South of Dongjiang Road, Yangwu Village and Qishi Village, Qishi Town	Dongguan	Residential
59	Dongguan Shui'an Haomen	Fengshen Avenue, Fenggang Town	Dongguan	Residential
60	Dongguan Dijingwan	Jinshawan Square, Xincheng District, Shilong Town	Dongguan	Residential
61	Dongguan Le Grand Bleu	Xinwei Village Group, Qisha Village, Shatian Town	Dongguan	Residential
62	Dongguan Oasis Town	Junction of Huancheng Road and Green Road, Xiping Community, Nancheng District	Dongguan	Residential
63	Dongguan Yulongshan Garden	Jinzhou Community, Humen Town	Dongguan	Residential
64	Dongguan Shilong Project ⁽³⁾	Junction of Jiangnan Middle Road and Xihu No. 1 Road, Xihu District, Shilong Town	Dongguan	Residential
65	Dongguan Riverside Woods Palace ⁽³⁾	Junction of Dongshen Road and Bihu Avenue, Fenggang Town	Dongguan	Residential
66	Dongguan Riverside Hillview Palace ⁽³⁾	Junction of Dongshen Road and Bihu Avenue, Fenggang Town	Dongguan	Residential
67	Dongguan Kaisa Glamourous Riverscape Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
68	Dongguan Kaisa The Rhythm	Dingshan Community, Houjie Street	Dongguan	Residential
69	Dongguan Kaisa Enchanting Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
70	Dongguan Kaisa Glossy Riverscape Garden	Douchi Island, Zhongtang Town	Dongguan	Residential
71	Dongguan Kaisa Prosperous Villa	Douchi Island, Zhongtang Town	Dongguan	Residential & Commercial
72	Huizhou Kaisa Mansion No. 1	Gutang'ao, Miaozaikeng	Huizhou	Residential
73	Huizhou Kaisa Center	No. 18 Sub-district, Jiangbei, Huicheng District	Huizhou	Commercial

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	1,013,800	945,618	-	-	945,618	55%
1-5	343,749	1,468,131	101,734	421,263	945,134	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	31,054	93,052	93,052	-	-	90%
1	62,406	178,392	96,672	81,720	-	51%
1	54,380	163,137	-	163,137	-	40%
-	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	164,603	-	-	164,603	85%
-	65,310	218,698	-	-	218,698	90%
1	38,096	97,281	97,281	-	-	51%
1	69,524	208,571	66,967	141,604	-	34%
1	22,451	68,102	68,102	-	-	49%
1	27,572	83,358	-	83,358	-	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%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
74	Huizhou Yuanzhou Project	Tanjiao Section, Liangwu Gaotou Village, Yuanzhou Town, Boluo County	Huizhou	Residential
75	Huizhou Kaisa Riverbank New Town	Jiangnan Section, Cui Mei countryside Committee, Hengkeng, Luoyang Town, Boluo County	Huizhou	Residential
76	Huizhou Tianxin Village (Huizhou Riverbank New Town (P18))	Jiangnan Section, Hengkeng Village Committee and Cuimei Garden Village Committee, Luoyang Town	Huizhou	Residential
77	Huizhou Kaisa Mountain Bay	Huangbujiao, Lianfeng Village, Renshan Town, Huidong County	Huizhou	Residential
78	Huizhou Kaisa Times Mocha Town	Junction of Zhongkai Avenue and Jinbang Road, Huicheng District	Huizhou	Residential
79	Huizhou Kaisa Dong River Garden	Jiangnanxincheng, Luoyang Town, Boluo County	Huizhou	Residential
80	Huizhou Longmen Longquan Residence	Laiwu Village, Longtian Town, Longmen County	Huizhou	Residential
81	Huizhou Kaisa Monarch Residence	Junction of Huifeng West Second Road and Hechang West Fifth Road, Huicheng District	Huizhou	Residential
82	Huizhou Kaisa Jade Garden	Longsu Road, Center of Longxi Town, Boluo County	Huizhou	Residential
83	Huizhou Kaisa Yunzhu	Shangpu Road, Longxi Street, Boluo County	Huizhou	Residential
84	Huizhou Kaisa Yunfeng	Junction of Dongxiang South Road and Xinglian West Road	Huizhou	Residential
85	Huizhou Kaisa Shiguangdao (Huicheng District Project)	Center of Ma'an Town, Huicheng District	Huizhou	Residential & Commercial
86	Huizhou Huidong Project	Renshan Town, Huidong County	Huizhou	Residential & Commercial
87	Huizhou Kaisa City Plaza	Pingnan Area, Huihuan Street, Zhongkai High-tech Zone, Huizhou	Huizhou	Residential & Commercial
88	Huizhou Kaisa Yuebanwan	South bank of Lujiangli, Huicheng District	Huizhou	Residential & Commercial
89	Zhuhai Lake View Waldorf Garden	Shangsha Street, Wanzai, Xiangzhou District	Zhuhai	Residential
90	Zhuhai Golden World	North of Huangyang Avenue, South of Wangbao Reservoir and Jintai Temple, Doumen Town, Doumen District	Zhuhai	Residential
91	Zhuhai Kaisa Monarch Residence	North of Zhufeng Avenue, Qianwu Town, Doumen District	Zhuhai	Residential
92	Zhuhai Kaisa Yuefeng Garden	East of Xiewei village and South of Golden Coast Road, Golden Coast, Sanzao Town, Jinwan District	Zhuhai	Residential
93	Zhuhai Kaisa Golden Metro Garden	Southeast of Nanda West Road, Northeast of Gangtong Second Road, Nanshui Town, Gaolangang	Zhuhai	Residential
94	Zhongshan Kaisa Xiangshan Royal Palace	No. 3 Jinzhong Road, Jinzhong Village, Banfu Town	Zhongshan	Residential
95	Zhongshan Kaisa Shangpin Garden	No. 1 Nanhu Road, Nanlang Town	Zhongshan	Residential
96	Zhongshan Kaisa Metro City	Junction of Xingbao Road and Yunsheng Road, Shaxi Town	Zhongshan	Residential
97	Zhongshan Kaisa Fortune Garden	No. 68 Guangfu Avenue, Dongsheng Town	Zhongshan	Residential

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.)	
-	20,400	61,200	-	-	61,200	100%
1-17	1,563,976	3,665,611	2,723,012	89,823	852,776	36%
1	40,000	104,000	-	-	104,000	100%
1-3	169,331	286,395	72,976	213,419	-	96%
1-7	252,117	641,781	629,213	-	12,568	50%
1-4	176,724	441,809	196,332	113,852	131,625	51%
1-2	112,896	225,791	-	225,791	-	70%
1	22,201	95,447	95,447	-	-	41%
1	17,392	78,264	78,264	-	-	27%
1	48,179	168,627	168,627	-	-	17%
1	27,820	66,768	66,768	-	-	26%
1-4	116,270	348,200	74,868	273,332	-	51%
-	72,710	343,700	-	-	343,700	95%
1-2	212,785	755,979	-	365,824	390,155	18%
1-6	165,998	576,745	-	153,820	422,925	51%
1-3	159,891	232,017	60,369	46,675	124,973	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%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
98	Zhongshan Kaisa Yishan Mansion	In close vicinity to Changjiang Water Plant, Eastern Area	Zhongshan	Residential
99	Yangjiang Kaisa Riverside No. 1	Longtang Road, Yangdong District	Yangjiang	Residential
100	Jieyang Kaisa City Plaza	Binhai New District, Yuedong New City, Huilai County, Jieyang	Jieyang	Residential & Commercial
101	Jieyang Kaisa Future City	Southwest of Xingyuan Road and Feifeng Road, Jiedong District	Jieyang	Residential & Commercial
102	Jiangmen Kaisa Yuefeng Mansion	North of Mingde 1st Road, East of Wenhua Road, Xinhui District	Jiangmen	Residential
103	Zhanjiang Kaisa Yuebanwan	Left side of Diaoshun Road Fishery Company, Chikan District, Zhanjiang City	Zhanjiang	Residential & Commercial
104	Shantou Kaisa Aurora	Zutuan D of East Coast New Town, Longhu District, Shantou City	Shantou	Residential
105	Shantou Kaiser Harmony Mansion Bay	Zutuan F of East Coast New Town, Longhu District, Shantou City	Shantou	Residential
106	Hong Kong The Concerto	No. 203 Yee Kuk Street, Sham Shui Po, Kowloon	Hong Kong	Residential
107	Kowloon Mongkok Shanghai Street/ Reclamation Street Project	Shanghai Street/Reclamation Street	Hong Kong	Residential & Commercial
108	Sanya Kaisa Begonia Mountain	Dongfeng Branch, Nantian Farm, Haitang Bay Town	Sanya	Residential
The West China Region				
109	Chengdu Kaisa Monarch Residence	Erjiangsi Village, Huayang Town, Shuangliu County	Chengdu	Residential
110	Chengdu Lijing Harbour	Groups 1 and 2, Huafeng Village, Yongquan Subdistrict, Wenjiang District	Chengdu	Residential
111	Chengdu Modern Town	Yingchunqiao, Dongsheng Sub-district Office, Shuangliu County	Chengdu	Commercial
112	Chengdu Kaisa Mansion No. 8	South Sanzhiqu Area, Dongsheng Street, Shuangliu County	Chengdu	Residential
113	Chengdu Kaisa City Plaza	Groups 1 and 2, Machang Village, Wenjia Sub-district Office, Qingyang District	Chengdu	Residential
114	Chengdu Kaisa Leading Town	Groups 6 and 7, Taiji Community, Gongping Subdistrict Office, Wenjiang District	Chengdu	Residential
115	Chengdu Kaisa Yuefu	Junction of Fengxiang Avenue and Fenghuang Avenue, Qingbaijiang District	Chengdu	Residential
116	Chengdu Kaisa Imperial Jade	No. 977, South of Fengxi Avenue, Wenjiang District	Chengdu	Residential
117	Chengdu Kaisa Tianyue Mansion	No. 64 Jinxing Road, Jinjiang District	Chengdu	Commercial & Residential
118	Chengdu Kaisa Lushan No. 1	North of Shenyang Road, South of Lushan Avenue, Tianfu New District	Chengdu	Residential & Commercial
119	Chengdu Longyue No. 1 Project	North of Baohe East Road, West of Fuxing North Road, Shiling Street, Longquanyi District	Chengdu	Residential
120	Chengdu Kaisa Aurora Project	Groups 6 and 11 of Erjiangsi Village, Huayang Street, Tianfu New District, Group 2 of Helin Village	Chengdu	Residential & Commercial
121	Chengdu Kaisa Harmony Mansion	Youjiadu Community, Tianfu Street, Wenjiang District	Chengdu	Residential

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	33,333	83,333	-	83,333	-	80%
1-2	78,451	192,011	118,911	73,100	-	90%
1-2	159,004	461,678	-	461,678	-	60%
1-3	135,715	311,726	-	169,900	141,826	100%
1	45,937	71,699	-	71,699	-	26%
1	26,676	110,045	-	-	110,045	94%
1-2	66,002	264,229	-	264,229	-	5%
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	59,258	-	59,258	-	62%
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	128,393	-	128,393	-	100%
1	39,588	83,578	-	83,578	-	56%
1	50,538	101,100	-	101,100	-	100%
1	28,912	86,737	-	-	86,737	100%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
122	Pengzhou Kaisa Golden Metro	West of Chengde Avenue (Beixin Avenue), Mengyang Town	Chengdu	Residential
123	Nanchong Kaisa Plaza	No. 39 Zhengyang East Road, Shunqing District	Nanchong	Residential
124	Nanchong Monarch Residence	No. 308 Baituba Road, Shunqing District	Nanchong	Residential
125	Chongqing Kaisa Plaza	Longzhouwan Street, Banan District	Chongqing	Residential
126	Chongqing Kaisa Bright Harbour	Baqiao Town, Dadukou District	Chongqing	Residential
127	Chongqing Kaisa Fengming Riverside	Ertang Village, Jingkou Street, Jingkou Town, Shapingba District	Chongqing	Residential
128	Chongqing Kaisa Zhuanshan Fortune Garden	North end of Changjiang River Bridge, Jiangjin District	Chongqing	Residential
129	Chongqing Riverside Seasons	East of Ganghua Middle Road, Dadukou District	Chongqing	Residential
130	Chongqing Kaisa Yuebanshan	Biquan Street, Bishan High-tech District	Chongqing	Residential
131	Chongqing Kaisa Skyline Residence	Xiyong, Shapingba District	Chongqing	Residential
132	Chongqing Kaisa Longyue No. 1	Xiyong, Shapingba District	Chongqing	Residential
133	Chongqing Kaisa Jiangshan Heming	Caijia of Beibei District	Chongqing	Residential
134	Kunming Kaisa Dianchi Mansion	Intersection of Feihu Road and Haiyan Road, Chenggong District	Kunming	Residential
135	Guiyang Kaisa Yuebanshan	Near Jianshan Temple, Jinqing Avenue, Qingzhen City and within boundaries of Shiguan Village, Qinglongshan Street	Guiyang	Residential & Commercial
The Pan-Bohai Bay Rim				
136	Beijing Kaisa Fantasia Pinnacle Mansion	Intersection of Chengzi Street and Heishan Street, Mentougou District	Beijing	Residential
137	Bazhou Kaisa Peacock City Yuefeng	West of Rose Garden Hot Spring Resort, Development District	Bazhou	Residential
138	Gu'an Kaisa Fengyuan Tianci Project	Near the Niutuo Hot Spring Peacock City, Niutuo Town	Gu'an	Residential
139	Qingdao Kaisa Lake View Place	East of Zhongjing Second Road, West of Wangsha Road and South of Baishahe, Xiazhuang Street, Chengyang District	Qingdao	Residential
140	Qingdao Kaisa Yuefeng	No. 777 Huicheng Road, Chengyang District, Qingdao	Qingdao	Residential
141	Shenyang Kaisa Center	East of Qingnian Avenue, Shenhe District	Shenyang	Commercial
142	Shenyang Kaisa Yuefeng	Changbai South Road, Heping District	Shenyang	Residential
143	Shenyang Kaisa Shiguangdao	East of Wencong Street, North of Huiquan East Road, Hunnan District	Shenyang	Residential
144	Anshan Kaisa Monarch Residence	South of Ziyou Dong Road, East of Anqian Road, Lishan District	Anshan	Residential
145	Anshan Waterfront Mansion	North bank of Wanshui River, Lishan District	Anshan	Residential
146	Anshan Kaisa Plaza ⁽²⁾	Renmin Road, Tiexi District	Anshan	Commercial
147	Benxi Kaisa Lake View Place	Binhe North Road, Mingshan District	Benxi	Residential
148	Huludao Suizhong Kaisa Dongdaihe	South of Binhai Road, Dongdaihe New District, Suizhong County	Huludao	Residential & Commercial

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	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	–	132,178	–	90%
1-3	77,544	222,479	85,803	124,209	12,467	90%
1	41,724	104,311	–	104,311	–	90%
1-2	126,443	249,909	105,230	144,679	–	94%
1-3	116,773	175,161	31,253	71,639	72,269	90%
1	57,460	86,158	–	86,158	–	88%
1	62,405	93,603	–	93,603	–	–
1	33,693	53,909	53,909	–	–	39%
1-3	182,989	548,438	–	262,805	285,633	91%
1	20,039	61,626	–	61,626	–	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	111,254	111,254	–	–	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	198,056	15,406	39,794	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%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
149	Huludao Kaisa Dongdaihe Quyu Terrace	North of Binhai Road, south of Bohai Street, Dongdaihe New District, Suizhong County	Huludao	Residential & Commercial
150	Huailai Jingbei Yuefeng	Intersection of Xinxing Road and Binhe East Street, Huailai County, Zhangjiakou City	Zhangjiakou	Residential
151	Yanjiao Wangjing Court	Junction of Shenwei North Street South and Hanwang Road, Yanjiao Town, Langfang City	Langfang	Residential
152	Liaoyang Tangquanyi	Liuhe Village, Tanghe Town, Gongchangling District	Liaoyang	Commercial
153	Dandong Kaisa Mansion No. 1	South of Huanghai Avenue, Zhenxing District	Dandong	Residential
154	Dalian Kaisa Center	No. 24 Zhujin Street, Donggang Business District, Zhongshan District	Dalian	Commercial
155	Dalian Kaisa Plaza	No. 271 Tianjin Street, Zhongshan District	Dalian	Commercial
156	Dalian Kaisa Mansion No. 1	Junction of Zhonggang North Road and Hugang Road, Dalian Free Trade Zone	Dalian	Commercial & Residential
157	Dalian Kaisa Yuejing	East of Shengli Road, Jinpu New District	Dalian	Residential
The Central China Region				
158	Changsha Kaisa Lake View Place	Jinping Village, Tiaoma County	Changsha	Residential
159	Changsha Kaisa Times Square	Yingpan East Road, Furong District	Changsha	Residential
160	Changsha Kaisa Plaza	Wuyi Road, Furong District	Changsha	Commercial
161	Changsha Kaisa Meixi Lake Project	Meixi Lake, Yuelu District	Changsha	Residential
162	Changsha Kaisa City Plaza	Northeast of Xiangzhang Road and Yuhua Avenue Intersection, Yuhua District	Changsha	Residential & Commercial
163	Changsha Kaisa Crown Residence	Junction of Huahou Road and Xiangzhang Road, Gaotie New Town, Yuhua District	Changsha	Commercial
164	Changsha Kaisa Bright Harbour Seasons	Southwest of intersection of Shuangyang Road and Huangyuan Road, Furong District	Changsha	Commercial & Residential
165	Hengyang Kaisa Yuefeng	North of Chuanshan West Road, South of Lixin Avenue, West of Cailun Avenue	Hengyang	Residential
166	Wuhan Kaisa Golden World	Junction of Baisha Road and Qingling East Road, Qingling County, Hongshan District	Wuhan	Residential
167	Wuhan Kaisa Bright Harbour No. 1	North of Zhiyin Avenue, West of Yangcheng West Road, Hangyang District	Wuhan	Residential
168	Wuhan Kaisa Plaza	No. 336 Wuluo Road, Wuchang District	Wuhan	Residential
169	Wuhan Kaisa Yuefu	North of Jinbei No. 1 Road and East of Wuxingxian, Jinghe Street, Dongxi Lake District	Wuhan	Residential
170	Wuhan Kaisa New Riverside City	South of Shefa Shan Road, East of the 2nd Chuanjiangchi Road, Economic and Technology Development Area	Wuhan	Residential
171	Wuhan Kaisa Stream Jade Garden	East of Jintai Road, West of Fenghua Road and North of Guanhu Road, Xinzhou District	Wuhan	Residential
172	Wuhan Kaisa Jade Crest	South of Shendun San Road, East Lake New Technology Development Zone	Wuhan	Residential

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	307,292	735,476	110,697	172,848	451,931	100%
1	45,183	119,881	–	–	119,881	67%
1	52,714	105,993	–	–	105,993	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	117,077	372,290	–	372,290	–	63%
1-2	20,108	171,932	114,626	57,306	–	32%
1	34,300	89,047	–	89,047	–	77%
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	45,754	114,600	–	114,600	–	30%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
173	Ezhou Zhongliang Kaisa The One Mansion	West of Yingbin Avenue, Echeng District	Ezhou	Residential
174	Xiaogan Kaisa Airport Science and Technology City	Airport Economic Development Zone	Xiaogan	Industrial
175	Xinzheng Kaisa Yuefeng	South of Zhongxing Road, West of Wenhua Road	Xinzheng	Residential
176	Xinxiang Kaisa Yuefeng	West of Hongyuan Street, North of Guihua Road, Hongqi District	Xinxiang	Residential
177	Luoyang HYC Kaisa Fengming Riverside	Intersection of Zhongxin Road and Zhuge Street, Yibin District	Luoyang	Residential & Commercial
178	Luoyang HYC Kaisa Lake View Place	Junction of Simaguang Road and Liujingxiang, Luolong District	Luoyang	Residential
179	Luoyang Kaisa Lake View Waldorf	Intersection of Yibin Road and Fumin Lane, Yibin District	Luoyang	Residential
180	Luoyang HYC Kaisa Luoyang Center	Intersection of Guanlin Road and Longmen Avenue, Luolong District	Luoyang	Residential & Commercial
The Yangtze River Delta				
181	Shanghai Shanhuwan Garden	No. 4333 Alley, Haima Road, Haiwan Town, Fengxian District	Shanghai	Residential
182	Shanghai Shangpin Garden	Kangfeng North Road and Kangnian Road, Malu Town, Jiading District	Shanghai	Residential
183	Shanghai Kaisa Mansion No. 8	No. 99 Alley, Juting Road, Zhuanghang Town, Fengxian District	Shanghai	Residential
184	Shanghai Kaisa City Plaza (Phase 1-3)	Junction of Shengzhu East Road and Chengliu Road, Xuhang Town, Jiading District	Shanghai	Residential
185	Shanghai Kaisa City Plaza (Phase 4-7)	Xuhang Town, Jiading District	Shanghai	Residential
186	Shanghai Kaisa Monarch Residence	Junction of Songjian Road and Fumao Road, Chonggu Town, Qingpu District	Shanghai	Residential
187	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
188	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
189	Shanghai Kaisa Future City	North of Yinggang East Road, Xiayang Street, Qingpu District	Shanghai	Residential
190	Hangzhou Jade Dragon Court	North of Zhennan Road, Zhijiang National Holiday Resort, West Lake District	Hangzhou	Residential
191	Hangzhou Kaisa Monarch Residence	North of Shitang Road and West of Donghu Road, Qiaosi Street, Yuhang District	Hangzhou	Residential
192	Hangzhou Puyu Court	Jingfeng Community, Wuchang Street, Yuhang District	Hangzhou	Residential
193	Hangzhou Fuyang Yinhu Project	Dashanjiao Village, Yinhu Street, Fuyang District	Hangzhou	Residential
194	Hangzhou Kaisa Yunfeng	Xianlin Street, Yuhang District	Hangzhou	Residential

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	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	-	361,947	-	51%
1-3	90,234	225,585	225,585	-	-	51%
1	95,613	239,023	-	239,023	-	51%
1-3	238,073	873,288	-	320,219	553,069	75%
1-4	104,796	140,151	140,151	-	-	100%
-	23,307	84,448	84,448	-	-	62%
1-2	143,052	171,659	171,659	-	-	100%
1-3	117,257	222,199	222,199	-	-	100%
1-4	126,923	213,514	79,567	133,947	-	56%
1-2	90,642	212,240	212,240	-	-	100%
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	26,000	19,500	-	-	19,500	95%
1	19,175	38,350	38,350	-	-	100%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
195	Hangzhou Kaisa Aurora	Pengbu Street, Jianggan District	Hangzhou	Residential
196	Shaoxing Kaisa Guoyue Mansion	Lanting Street, Keqiao District	Shaoxing	Residential
197	Shaoxing Kaisa Monarch Residence	Fuquan Street, Keqiao District	Shaoxing	Residential
198	Ningbo Kaisa Dongchenyipin	Junction of Century Avenue and Min'an Road, Yinzhou District	Ningbo	Commercial
199	Ningbo Kaisa Emerald Residence (Qubi Project)	Dongjiao Street, Yinzhou District	Ningbo	Residential
200	Ningbo Harmony Mansion	South side of Dannan Road, north side of Planning Road 1, both sides of Baihe Road, Xiangshan County, Ningbo	Ningbo	Residential
201	Jiaxing Xitang Project	East of Hongfu Road and South of Nanyuan Road, Xitang Town	Jiaxing	Residential
202	Suzhou Kaisa Plaza	West of Tayuan Road and South of Zhuyuan Road, Shishan Street, High-tech District	Suzhou	Residential
203	Suzhou Kaisa Monarch Residence	South of Xingye Road and East of Sudai Road, Huangqiao Street, Xiangcheng District	Suzhou	Residential
204	Suzhou Mudu Peaceful Yard Project	West of Xinhua Road, South of Xiangyanghe Road, Mushu Town, Wuzhong District	Suzhou	Residential
205	Zhangjiagang Kaisa Fengming Riverside	Southwest Corner of the Junction of Yingshan Road and Jingu Road, Phoenix Town	Zhangjiagang	Residential
206	Nanjing Kaisa City Plaza	Junction of Nanjing Foreign Language School and Taiqing Road, South of Hexi Area, Jianye District	Nanjing	Residential
207	Nanjing Kaisa Eminent Residence	No. 560 Heyan Road, Qixia District	Nanjing	Residential
208	Nanjing Kaisa Yuefeng	East of Vanke City, Lishui District	Nanjing	Residential
209	Nanjing Kaisa Redsun Lakeside Mansion	18 Huqin Road, Lukou Avenue, Jiangning District	Nanjing	Residential
210	Nanjing Kaisa Riverview Mansion	Intersection of Fangjiaying Road and Chenghe North Road, Gulou District	Nanjing	Residential
211	Kaisa Xiangrui Xiangyi Garden	North of Yuexi Road, Ehu Town, Xishan District	Wuxi	Residential
212	Wuxi Xiangyi Xiyue (Donggang Cooperation Project)	South of Yinxing West Road and west of Lianqun Road, Donggang Town, Xishan District	Wuxi	Residential
213	Xuzhou Thriving Spring Villa	West of Guangshan Park, East of Sanhuan East Road, Yunlong District	Xuzhou	Residential
214	Jiangyin Lake View Place	South of Xinhua Road, West of Dongwaihuan Road, and North of Renmin East Road	Jiangyin	Residential
215	Jiangyin Gushan Mocha Town	South of Golden Gushan Garden and West of Xingfu Avenue, Gushan Town	Jiangyin	Residential
216	Jiangyin Zhouzhuang Golden World	East of Zhouxi Dong Road, Zhouzhuang Town	Jiangyin	Residential
217	Jiangyin Changjing Lake View Waldorf	East of Xinglong Road and South of Dongshun Road, Changjing Town	Jiangyin	Residential
218	Jiangyin Tonghui Garden	North of Tonghui Road, West of Tongjiang Road, and South of Tongfu Road	Jiangyin	Residential
219	Jiangyin Fuqiao Homeland	North of Chengxi Road, West of Tongdu Road, and South of Binjiang Road	Jiangyin	Residential

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	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	26,647	93,881	–	93,881	–	1%
1	45,034	92,997	–	92,997	–	26%
1	38,881	64,857	64,857	–	–	51%
1-2	33,234	123,216	123,216	–	–	100%
1-2	59,629	155,553	155,553	–	–	100%
1	32,006	47,861	47,861	–	–	100%
1	31,666	37,999	37,999	–	–	100%
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	69,332	103,160	–	103,160	–	51%
1-2	40,522	89,183	–	89,183	–	49%
1	48,697	78,195	–	78,195	–	49%
1	50,732	91,802	–	91,802	–	49%
1-2	132,397	246,029	88,031	157,998	–	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%

Project Portfolio (continued)

No.	Project	Address	Location	Type ⁽¹⁾
220	Taizhou Kaisa Mansion No. 1	North of Chenzhuang Road and West of No. 11 Road, Taizhou Economic Development Area	Taizhou	Residential
221	Hefei HC Kasia Future City	Southwest of junction of Jianghuai Avenue and Zhenzhu Road, Shangpai Town, Feixi	Hefei	Residential
222	Hefei Kaisa Lakeside Residence	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 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 Xiaoan Yunqi;
 - (vii) Guangzhou Shixi Project;

for which as at 30 June 2023, 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.
- 4 The projects are based on our internal plans, but subject to the governmental approval.
- 5 As at 30 June 2023, the GFA of total completed properties for sale reached 4,778,161 sq. m..
- 6 One project in Hainan included.
- 7 The Group is entitled to the beneficial interests under the trust and does not have any equity interest associated with the project.

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	192,506	360,724	299,298	61,426	-	51%
1-2	111,500	206,575	206,575	-	-	49%
1	37,485	75,966	-	75,966	-	15%
	22,550,030	58,435,680	36,751,750	11,079,053	10,604,877	

PROPERTIES UNDER DEVELOPMENT

The table below sets forth certain information of our property projects or project phases under development as at 30 June 2023. We have obtained land use rights certificates and construction works commencement permits for all of our properties under development.

Project	City	Project Phase	Total GFA or	Saleable GFA
			Estimated Total GFA [sq.m.]	or Estimated Saleable GFA [sq.m.]
Shenzhen Kaisa City Plaza	Shenzhen	3	214,608	154,567
Shenzhen Yantian Kaisa City Plaza	Shenzhen	1-3	254,213	11,327
Shenzhen Kaisa Golden Bay International Park	Shenzhen	1, 2, 4	195,219	87,150
Shenzhen Kaisa Future City	Shenzhen	2	62,060	61,840
Shenzhen Nan'ao Project	Shenzhen	1	51,930	51,810
Shenzhen Kaisa Marine Mangrove Bay	Shenzhen	1	40,321	36,568
Shenzhen Futian Dongshan Project (P1)	Shenzhen	1	25,389	22,998
Shenzhen Kaisa Metropolis Plaza	Shenzhen	1	68,686	63,543
Shenzhen Kaisa Sky-high Summit	Shenzhen	1	138,820	129,900
Shenzhen Luohu Sanshun Project	Shenzhen	1	30,021	23,029
Shenzhen Kaisa Shenwei	Shenzhen	1	58,400	56,930
Shenzhen Kaisa Sky-high Mansion	Shenzhen	1	113,031	53,764
Shenzhen Kaisa Fengming Riverside	Shenzhen	1	67,360	36,098
Guangzhou Kaisa Future City	Guangzhou	2	50,644	43,259
Guangzhou Kaisa Center	Guangzhou	1	48,998	66,214
Guangzhou Kaisa Baiyun City Plaza	Guangzhou	1	15,768	15,768
Guangzhou Kaisa Yuejiang Mansion	Guangzhou	1-2	71,203	71,203
Guangzhou Jiaze Garden	Guangzhou	-	34,352	21,532
Guangzhou Kaisa Yuefeng	Guangzhou	1-2	246,100	216,300
Guangzhou Kaisa Fengming Mountain	Guangzhou	1-2	301,061	292,157
Qingyuan Kaisa City Plaza	Qingyuan	1, 2, 5	421,263	258,990
Foshan Kaisa Metro City	Foshan	1	71,934	71,249
Foshan Kaisa Fantasia Guangya Court	Foshan	1	81,720	41,841
Foshan Lunjiao Zefengye Dijingwan	Foshan	1	163,137	162,359
Dongguan Kaisa The Rhythm	Dongguan	1	141,604	2,055
Dongguan Kaisa Glossy Riverscape Garden	Dongguan	1	83,358	83,358

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Dec-2017	Yes	2024 3Q	100%
Aug-2018	Yes	2023 4Q	100%
Oct-2018	Not yet obtained	2024 1Q	-
Nov-2019	Yes	2023 4Q	100%
Sep-2020	Not yet obtained	2023 4Q	87%
Apr-2020	Yes	2023 4Q	<1%
Jun-2020	Not yet obtained	2023 4Q	46%
May-2020	Yes	2023 3Q	100%
Sep-2020	Yes	2023 3Q	54%
Apr-2021	Not yet obtained	2025 2Q	51%
Apr-2021	Not yet obtained	2024 2Q	22%
Jul-2021	Not yet obtained	2023 3Q	100%
Aug-2021	Not yet obtained	2024 2Q	5%
May-2020	Yes	2024 2Q	78%
Feb-2021	Yes	2024 3Q	39%
Jun-2021	Not yet obtained	2024 2Q	39%
Jan-2020	Yes	2023 3Q	94%
May-2020	Yes	2023 4Q	100%
Oct-2020	Yes	2024 1Q	-
Sep-2020	Yes	2023 3Q	55%
Aug-2019	Yes	2023 4Q	100%
Oct-2019	Not yet obtained	2023 3Q	94%
Oct-2020	Yes	2023 4Q	51%
Mar-2022	Not yet obtained	2024 3Q	40%
Oct-2019	Yes	2023 4Q	34%
Dec-2020	Yes	2023 4Q	51%

Project Portfolio (continued)

Project	City	Project Phase	Total GFA or Estimated Total GFA (sq.m.)	Saleable GFA or Estimated Saleable GFA (sq.m.)
Huizhou Kaisa Riverbank New Town	Huizhou	13	89,823	88,580
Huizhou Kaisa Mountain Bay	Huizhou	2-3	213,419	209,388
Huizhou Kaisa Dong River Garden	Huizhou	3	113,852	107,469
Huizhou Longmen Longquan Residence	Huizhou	1-2	225,791	224,834
Huizhou Kaisa Shiguangdao (Huicheng District Project)	Huizhou	2-4	273,332	271,353
Huizhou Kaisa City Plaza	Huizhou	1-2	365,824	301,884
Huizhou Kaisa Yuebanwan	Huizhou	1, 5	153,820	144,884
Zhuhai Lake View Waldorf Garden	Zhuhai	2	46,675	26,314
Zhongshan Kaisa Yishan Mansion	Zhongshan	1	83,333	76,788
Yangjiang Kaisa Riverside No. 1	Yangjiang	2	73,100	60,553
Jieyang Kaisa City Plaza	Jieyang	1-2	461,678	441,584
Jieyang Kaisa Future City	Jieyang	1, 3	169,900	36,855
Jiangmen Kaisa Yuefeng Mansion	Jiangmen	1	71,699	21,417
Shantou Kaisa Aurora	Shantou	1	264,229	243,532
Kowloon Mongkok Shanghai Street/Reclamation Street Project	Hong Kong	1	1,637	958
Sanya Kaisa Begonia Mountain	Sanya	1	59,258	46,277
Chengdu Kaisa Lushan No.1	Chengdu	1	128,393	69,868
Chengdu Longyue No. 1 Project	Chengdu	1	83,578	59,382
Chengdu Kaisa Aurora Project	Chengdu	1	101,100	59,331
Pengzhou Kaisa Golden Metro	Chengdu	3-4	203,223	147,048
Chongqing Kaisa Fengming Riverside	Chongqing	1	132,178	131,214
Chongqing Kaisa Zhuanshan Fortune Garden	Chongqing	2	124,209	124,209
Chongqing Riverside Seasons	Chongqing	1	104,311	104,311
Chongqing Kaisa Yuebanshan	Chongqing	2	144,679	249,909
Chongqing Kaisa Skyline Residence	Chongqing	2	71,639	99,617
Chongqing Kaisa Longyue No. 1	Chongqing	1	86,158	84,453
Chongqing Kaisa Jiangshan Heming	Chongqing	1	93,603	96,039
Guiyang Kaisa Yuebanshan	Guiyang	1-2	262,805	212,448
Beijing Kaisa Fantasia Pinnacle Mansion	Beijing	1	61,626	38,889
Shenyang Kaisa Shiguangdao	Shenyang	1	95,560	95,543
Anshan Kaisa Monarch Residence	Anshan	4	15,406	9,608
Anshan Waterfront Mansion	Anshan	2	40,431	39,916

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Oct-2020	Yes	2024 3Q	36%
Jan-2019	Yes	2023 4Q	96%
Mar-2021	Not yet obtained	2024 4Q	51%
Jun-2019	Yes	2023 3Q	70%
Nov-2020	Yes	2023 4Q	51%
Jul-2021	Yes	2024 2Q	18%
Mar-2021	Yes	2023 4Q	51%
May-2021	Not yet obtained	2024 4Q	100%
Oct-2020	Yes	2023 3Q	80%
May-2020	Yes	2023 3Q	90%
Dec-2020	Yes	2023 3Q	60%
Apr-2021	Not yet obtained	2023 4Q	100%
Apr-2021	Yes	2023 4Q	26%
May-2021	Yes	2023 4Q	5%
Jun-2021	Not yet obtained	2025 2Q	31%
Feb-2021	Yes	2023 3Q	62%
Aug-2020	Yes	2023 4Q	100%
Nov-2020	Not yet obtained	2023 4Q	56%
Sep-2021	Not yet obtained	2024 3Q	100%
Oct-2019	Yes	2023 3Q	100%
Jun-2020	Yes	2024 4Q	90%
Aug-2019	Yes	2023 3Q	90%
Dec-2019	Yes	2023 4Q	90%
Mar-2020	Yes	2023 4Q	94%
Jan-2021	Yes	2024 1Q	90%
Jul-2021	Yes	2023 4Q	88%
Oct-2021	Yes	2025 1Q	-
Nov-2020	Yes	2023 3Q	91%
Jan-2021	Yes	2024 1Q	12%
Nov-2021	Not yet obtained	2024 4Q	1%
Sep-2019	Yes	2023 3Q	100%
Jul-2020	Yes	2023 4Q	100%

Project Portfolio (continued)

Project	City	Project Phase	Total GFA or Estimated Total GFA (sq.m.)	Saleable GFA or Estimated Saleable GFA (sq.m.)
Huludao Suizhong Kaisa Dongdaihe	Huludao	4	56,022	3,141
Huludao Kaisa Dongdaihe Quyue Terrace	Huludao	1	172,848	145,079
Dalian Kaisa Center	Dalian	2	37,650	37,650
Dalian Kaisa Yuejing	Dalian	1	85,168	83,428
Changsha Kaisa City Plaza	Changsha	1-4	372,290	364,835
Changsha Kaisa Crown Residence	Changsha	2	57,306	56,948
Changsha Kaisa Bright Harbour Seasons	Changsha	1	89,047	87,593
Hengyang Kaisa Yuefeng	Hengyang	2	73,358	72,481
Wuhan Kaisa Stream Jade Garden	Wuhan	1	258,382	142,252
Wuhan Kaisa Jade Crest	Wuhan	1	114,600	114,352
Xiaogan Kaisa Airport Science and Technology City	Xiaogan	2-3	225,907	96,767
Xinxiang Kaisa Yuefeng	Xinxiang	1	81,068	80,002
Luoyang HYC Kaisa Fengming Riverside	Luoyang	1-5	361,947	365,341
Luoyang Kaisa Lake View Waldorf	Luoyang	1	239,023	227,756
Luoyang HYC Kaisa Luoyang Center	Luoyang	1	320,219	248,041
Shanghai Kaisa City Plaza (Phase 4-7)	Shanghai	5-7	133,947	63,679
Hangzhou Kaisa Aurora	Hangzhou	1	88,195	88,195
Ningbo Kaisa Emerald Residence (Qubi Project)	Ningbo	1	93,881	93,881
Ningbo Harmony Mansion	Ningbo	1	92,997	92,997
Nanjing Kaisa Redsun Lakeside Mansion	Nanjing	1	103,160	84,034
Nanjing Kaisa Riverview Mansion	Nanjing	1-2	89,183	87,639
Kaisa Ruixiang Xiangyi Garden	Wuxi	1	78,195	76,078
Donggang Cooperation Project	Wuxi	1	91,802	89,301
Xuzhou Thriving Spring Villa	Xuzhou	2	157,998	86,309
Taizhou Kaisa Mansion No. 1	Taizhou	3-4	61,426	281,616
Hefei Kaisa Lakeside Residence	Hefei	1	75,966	41,355
			11,079,053	9,271,012

Commencement Time	Status of Pre-sale Permit	Estimated Completion Time	Interest attributable to us
Sep-2014	Yes	2023 4Q	99%
Sep-2019	Yes	2023 3Q	100%
Aug-2018	Yes	2023 4Q	100%
Jul-2019	Yes	2023 4Q	100%
Sep-2019	Yes	2023 4Q	63%
Sep-2019	Not yet obtained	2026 4Q	32%
Dec-2020	Yes	2026 2Q	77%
May-2019	Yes	2023 4Q	51%
Dec-2019	Yes	2023 4Q	62%
Mar-2021	Yes	2024 1Q	30%
Jul-2020	Yes	2025 1Q	27%
Apr-2019	Yes	2023 3Q	100%
Aug-2020	Yes	2023 4Q	51%
Mar-2021	Yes	2024 3Q	51%
Jul-2021	Yes	2024 2Q	75%
Jul-2020	Yes	2023 4Q	56%
Nov-2020	Yes	2023 4Q	54%
Feb-2021	Yes	2023 4Q	1%
Sep-2021	Yes	2024 1Q	26%
Oct-2019	Not yet obtained	2023 4Q	51%
Nov-2020	Yes	2023 4Q	49%
Apr-2021	Yes	2024 2Q	49%
Sep-2021	Not yet obtained	2024 1Q	49%
Mar-2019	Not yet obtained	2024 1Q	50%
Oct-2018	Yes	2023 4Q	51%
Apr-2021	Yes	2023 3Q	15%

PROPERTIES HELD FOR FUTURE DEVELOPMENT

The table below sets forth certain information of our property projects held for future development as at 30 June 2023.

Project	Location	Project Phase	Estimated Total GFA [sq.m.]	Estimated Completion Time ¹
Shenzhen Kaisa Golden Bay International Park	Shenzhen	3-4	158,729	2027
Shenzhen Nanmendun Project (P1)	Shenzhen	1	262,371	2025
Shenzhen Kaisa Skyline Residence (Hengling Old Village Project)	Shenzhen	1-2	100,782	2025
Shenzhen Dongjiaotou Project	Shenzhen	1-2	396,085	2027
Guangzhou Kaisa Future City	Guangzhou	3	232,541	2025
Guangzhou Kaisa Center	Guangzhou	1-3	279,461	2024
Guangzhou Kaisa Baiyun City Plaza	Guangzhou	2-3	527,239	2024
Guangzhou Kaisa Yuefeng	Guangzhou	3	105,100	2026
Guangzhou Kaisa Xiajing Village Project	Guangzhou	1-3	393,700	2026
Guangzhou Shixi Village Project	Guangzhou	1-4	945,618	2026
Qingyuan Kaisa City Plaza	Qingyuan	2-4	945,134	2025
Dongguan Shilong Project	Dongguan	2-5	10,131	2026
Dongguan Riverside Woods Palace	Dongguan	1	164,603	2026
Dongguan Riverside Hillview Palace	Dongguan	-	218,698	2026
Huizhou Yuanzhou Project	Huizhou	-	61,200	2026
Huizhou Kaisa Riverbank New Town	Huizhou	8, 15-17	852,776	2026
Huizhou Tianxin Village (Huizhou Riverbank New Town (P18))	Huizhou	-	104,000	2026
Huizhou Kaisa Times Mocha Town	Huizhou	7	12,568	2026
Huizhou Kaisa Dong River Garden	Huizhou	4	131,625	2026
Huizhou Huidong Project	Huizhou	-	343,700	2026
Huizhou Kaisa City Plaza Project	Huizhou	2	390,155	2026
Huizhou Kaisa Yuebanwan	Huizhou	2-4, 6	422,925	2026
Zhuhai Lake View Waldorf Garden	Zhuhai	3	124,973	2027
Jieyang Kaisa Future City	Jieyang	2	141,826	2026
Zhanjiang Kaisa Yuebanwan	Zhanjiang	1	110,045	2026
Shantou Kaiser Harmony Mansion Bay	Shantou	1	223,390	2027
Chengdu Kaisa Harmony Mansion	Chengdu	1	86,737	2026
Chongqing Kaisa Zhuanshan Fortune Garden	Chongqing	3	12,467	2027
Chongqing Kaisa Skyline Residence	Chongqing	3	72,269	2026
Guiyang Kaisa Yuebanshan	Guiyang	3	285,633	2025

Project	Location	Project Phase	Estimated Total GFA (sq.m.)	Estimated Completion Time ¹
Shenyang Kaisa Shiguangdao	Shenyang	1-2	165,755	2025
Anshan Kaisa Monarch Residence	Anshan	3	39,794	2027
Anshan Waterfront Mansion	Anshan	3	43,422	2026
Huludao Suizhong Kaisa Dongdaihe	Huludao	4,7,10,11	786,587	2027
Huludao Kaisa Dongdaihe Quyue Terrace	Huludao	3-5	451,931	2027
Huailai Jingbei Yuefeng	Zhangjiakou	1	119,881	2025
Yanjiao Wangjing Court	Langfang	1	105,993	2027
Liaoyang Tangquanyi	Liaoyang	1-10	202,464	2027
Luoyang HYC Kaisa Luoyang Center	Luoyang	2-3	553,069	2024
Hangzhou Fuyang Yinhu Project	Hangzhou	1	19,500	2026
Total			10,604,877	

Note:

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

DISCLOSURE OF INTERESTS

THE EXISTING SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 November 2009 (the “**Existing Share Option Scheme**”). A summary of the principal terms of the Existing Share Option Scheme is set out as follows:

(1) Purpose of the Existing Share Option Scheme

The purpose of the Existing 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 Existing Share Option Scheme

Participants of the Existing 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 Existing Share Option Scheme

The total number of Shares which may be issued upon exercise of all Share options granted and yet to be exercised under the Existing Share Option Scheme and other schemes of the Company could not exceed 30% of the Shares in issue from time to time. The maximum number of Shares in respect of which options could be granted under the Existing Share Option Scheme and options under the other schemes of the Company was not permitted to exceed 10% limit, unless with the prior approval from the shareholders of the Company. The Existing Share Option Scheme limit was refreshed at the extraordinary general meeting held on 31 March 2014. As at 30 June 2023, the maximum number of the Shares available for issue upon exercise of all Share options granted under the Existing Share Option Scheme was 158,580,803 Shares, representing approximately 2.26% of the issued share capital of the Company as at the date of the report.

During the period, no share option was granted nor exercised and a total of 76,967,440 options were 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 Existing Share Option Scheme and any other share option schemes of the Company to each participant of the Existing Share Option Scheme in any 12-month period up to and including the date of grant of the options could 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) Payment on acceptance of option offer

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

(7) Basis of determining the subscription price

The subscription price per Share under the Existing 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.

(8) Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was valid until 14 June 2019 after which no further options were granted under the Existing Share Option Scheme. In respect of all options which remained exercisable on such date, the provisions of the Existing Share Option Scheme remained in full force and effect. The summary below sets out the details of options granted as at 30 June 2023 pursuant to the Existing 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 2023	Granted during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
Directors										
SUN Yuenan	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	6,194,562	-	-	-	-	6,194,562
		3.27	19 July 2019 to 18 July 2027	3.44	6,194,563	-	-	-	-	6,194,563
		3.27	19 July 2020 to 18 July 2027	3.44	6,194,563	-	-	-	-	6,194,563
		3.27	19 July 2021 to 18 July 2027	3.44	12,389,126	-	-	-	-	12,389,126
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

Disclosure of Interests (continued)

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 2023	Granted during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
LI Haiming	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
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

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 2023	Granted during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Weighted average closing price of the securities immediately before the dates on which the options were exercised	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
Other Employees	19 July 2017 (Note 1)	3.27	19 July 2018 to 18 July 2027	3.44	27,669,049	-	-	-	-	27,669,049
		3.27	19 July 2019 to 18 July 2027	3.44	27,617,427	-	-	-	-	27,617,427
		3.27	19 July 2020 to 18 July 2027	3.44	28,082,020	-	-	-	-	28,082,020
		3.27	19 July 2021 to 18 July 2027	3.44	62,358,587	-	-	-	-	62,358,587
	24 January 2019 (Note 2)	2.33	24 January 2020 to 23 January 2029	2.31	2,064,854	-	-	-	(2,064,854)	-
		2.33	24 January 2021 to 23 January 2029	2.31	2,064,854	-	-	-	(2,064,854)	-
		2.33	24 January 2022 to 23 January 2029	2.31	2,064,854	-	-	-	(2,064,854)	-
		2.33	24 January 2023 to 23 January 2029	2.31	4,129,709	-	-	-	(4,129,709)	-
	12 April 2019 (Note 3)	3.69	12 April 2020 to 13 April 2029	3.58	5,368,621	-	-	-	-	5,368,621
		3.69	12 April 2021 to 13 April 2029	3.58	5,368,621	-	-	-	-	5,368,621
		3.69	12 April 2022 to 13 April 2029	3.58	5,368,621	-	-	-	-	5,368,621
		3.69	12 April 2023 to 13 April 2029	3.58	10,737,242	-	-	-	-	10,737,242
	Total				235,548,243	-	-	-	(76,967,440)	158,580,803

As at 30 June 2023, a total of 158,580,803 options were exercisable.

Notes:

1. The granted share options is 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 is divided into four tranches for a period of 48 months from the date of grant (i.e. 24 January 2019). Up to 20% of the granted share options were vested on 24 January 2020, up to 40% of the granted share options were vested on 24 January 2021, up to 60% of the granted share options will be vested on 24 January 2022 and all the remaining granted share options will be vested on 24 January 2023.
3. The granted share options is 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 will be 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 total number of Shares which may be issued upon exercise of all Share options (“**New Share Options**”) granted and yet to be exercised under the New Share Option Scheme and other schemes of the Company must not exceed 30% of the Shares in issue from time to time. As at 1 January 2023 and 30 June 2023, the number of shares that may be issued in respect of options granted under all schemes of the Company was 220,681,291 and 158,580,803, representing 3.15% and 2.26% of the issued shares as at the date of this report, respectively. 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 2023 and 30 June 2023, 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 617,165,893 shares and 617,165,893 Shares, respectively, represents approximately 8.80% and 8.80% of the issued share capital of the Company as at the date of the report.

During the period ended 30 June 2023, no New Share Options were granted under the New Share Option Scheme. The summary below sets out the details of options granted as at 30 June 2023 pursuant to the New 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 (HKD)	Balance	Grant	Exercised	Weighted	Cancelled/	Balance
					as at 1 January 2023	during the period ended 30 June 2023	during the period ended 30 June 2023	average closing price of the Securities immediately before the dates on which the options were exercised	forfeited/ lapsed during the period ended 30 June 2023 [Note 2]	as at 30 June 2023
Other Employees	4 November 2020 (Note 1)	3.68	4 November 2021 to 3 November 2030	3.57	2,064,854	-	-	-	(2,064,854)	-
		3.68	4 November 2022 to 3 November 2030	3.57	2,064,854	-	-	-	(2,064,854)	-
		3.68	4 November 2023 to 3 November 2030	3.57	2,064,854	-	-	-	(2,064,854)	-
		3.68	4 November 2024 to 3 November 2030	3.57	4,129,709	-	-	-	(4,129,709)	-
Total					10,324,271	-	-	-	(10,324,271)	-

Note:

- The granted share options is divided into four tranches for a period of 48 months from the date of grant (i.e. 4 November 2020). Up to 20% of the granted share options will be vested on 4 November 2021, up to 40% of the granted share options will be vested on 4 November 2022, up to 60% of the granted share options will be vested on 4 November 2023 and all the remaining granted share options will be vested on 4 November 2024.
- These options were forfeited.

(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) 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.

(7) 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.

(8) 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. 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 SUBSIDIARY SHARE OPTION SCHEMES

Kaisa Prosperity Holdings Limited

Kaisa Prosperity Holdings Limited (“**Kaisa Prosperity**”), the Group’s subsidiary engaged in the property management business, adopted a share option scheme (the “**Kaisa Prosperity Share Option Scheme**”) at the annual general meeting of Kaisa Prosperity held on 18 June 2019 (the “**Kaisa Prosperity Share Option Scheme Adoption Date**”). A summary of the principal terms of the Kaisa Prosperity Share Option Scheme is set out as follows:

(1) Purpose of the Kaisa Prosperity Share Option Scheme

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

- (i) motivate the Eligible Kaisa Prosperity Participants to optimise their performance efficiency for the benefit of Kaisa Prosperity; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Kaisa Prosperity Participants whose contributions are or will be beneficial to the long-term growth of Kaisa Prosperity.

(2) Participants of the Kaisa Prosperity Share Option Scheme

Participants of the Kaisa Prosperity 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 of directors of Kaisa Prosperity, will contribute or have contributed to Kaisa Prosperity (the “**Eligible Kaisa Prosperity Participants**”).

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

The total number of shares of Kaisa Prosperity (the “**Kaisa Prosperity Share(s)**”) which may be issued upon exercise of all Kaisa Prosperity Share Options (“**Kaisa Prosperity Share Options**”) granted and yet to be exercised under the Kaisa Prosperity Share Option Scheme and other schemes of Kaisa Prosperity must not exceed 30% of the Kaisa Prosperity Shares in issue from time to time. The maximum number of Kaisa Prosperity Shares in respect of which Kaisa Prosperity Share Options may be granted under the Kaisa Prosperity Share Option Scheme and options under the other schemes of Kaisa Prosperity is 10% of the total number of Kaisa Prosperity Shares in issue on the Kaisa Prosperity Share Option Scheme Adoption Date, unless approval has been obtained from the shareholders of Kaisa Prosperity. As at 1 January 2023 and 30 June 2023, the maximum number of the Kaisa Prosperity Shares available for issue upon exercise of all Kaisa Prosperity Share Options which may be granted under the Kaisa Prosperity Share Option Scheme is 12,020,000 shares and 11,940,000 shares, represents approximately 7.8% and 7.8% of the total number of 154,110,000 Shares in issue as at the date of the report.

During the period ended 30 June 2023, no Kaisa Prosperity Share Options were granted under the Kaisa Prosperity Share Option Scheme. The summary below sets out the details of options granted as at 30 June 2023 pursuant to the Kaisa Prosperity 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 (HKD)	Balance	Grant	Exercised	Cancelled/ forfeited/ lapsed	Balance
					as at 1 January 2023	during the period ended 30 June 2023	during the period ended 30 June 2023	during the period ended 30 June 2023	as at 30 June 2023

Directors of Kaisa Prosperity

LIAO Chuanqiang	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	400,000	-	-	-	400,000
		15.36	19 July 2021 to 18 July 2029	15.70	400,000	-	-	-	400,000
		15.36	19 July 2022 to 18 July 2029	15.70	400,000	-	-	-	400,000
		15.36	19 July 2023 to 18 July 2029	15.70	800,000	-	-	-	800,000

Disclosure of Interests (continued)

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 (HKD)	Balance as at 1 January 2023	Grant during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
MA Xiumin	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2021 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2022 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2023 to 18 July 2029	15.70	20,000	-	-	-	20,000
LIU Hongbai	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2021 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2022 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2023 to 18 July 2029	15.70	20,000	-	-	-	20,000
CHEN Bin	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2021 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2022 to 18 July 2029	15.70	10,000	-	-	-	10,000
		15.36	19 July 2023 to 18 July 2029	15.70	20,000	-	-	-	20,000

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 (HKD)	Balance as at 1 January 2023	Grant during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
Other Employees	19 July 2019	15.36	19 July 2020 to 18 July 2029	15.70	1,580,000	-	-	-	1,580,000
		15.36	19 July 2021 to 18 July 2029	15.70	1,580,000	-	-	-	1,580,000
		15.36	19 July 2022 to 18 July 2029	15.70	1,580,000	-	-	-	1,580,000
		15.36	19 July 2023 to 18 July 2029	15.70	2,640,000	-	-	80,000	2,560,000
Total				9,470,000	-	-	80,000	9,390,000	

(4) Maximum entitlement of each Participant

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

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

The period within which the Kaisa Prosperity Share Options must be exercised will be specified by Kaisa Prosperity 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 Subsidiary Share Option is deemed to be granted and accepted.

(6) Payment on acceptance of Subsidiary Share Option offer

HK\$1.00 is payable by the Eligible Subsidiary Participant of the Kaisa Prosperity Share Option Scheme to Kaisa Prosperity upon acceptance of the Subsidiary Share Option offered as consideration for the grant.

(7) Basis of determining the exercise price

The exercise price per Kaisa Prosperity Share under the Kaisa Prosperity 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 Kaisa Prosperity Shares as stated in the daily quotation sheets of the Stock Exchange on the date of on which such Subsidiary Share Option is offered in writing (the "**Kaisa Prosperity Offer Date**"); (ii) the average of the official closing price of the Kaisa Prosperity Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Kaisa Prosperity Offer Date; and (iii) the nominal value of a Kaisa Prosperity Share, provided that for the purpose of determining the exercise price where the Kaisa Prosperity Shares have been listed on the Stock Exchange for less than five (5) Business Days preceding the Offer Date, the issue price of the Kaisa Prosperity Shares in connection with such listing shall be deemed to be the closing price of the Kaisa Prosperity Shares for each Business Day falling within the period before the listing of the Kaisa Prosperity Shares on the Stock Exchange.

(8) Remaining life of the Kaisa Prosperity Share Option Scheme

The Kaisa Prosperity Share Option Scheme will remain valid until 18 June 2029 after which no further Kaisa Prosperity Share Options shall be offered. However, the provisions of the Kaisa Prosperity 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 Kaisa Prosperity Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Kaisa Prosperity Share Option Scheme and the Kaisa Prosperity Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Kaisa Prosperity Share Option Scheme.

Kaisa Health Group Holdings Limited

Kaisa Health Group Holdings Limited ("**Kaisa Health**"), the Group's subsidiary engaged in dental prosthetics business and health care business, adopted a share option scheme (the "**Kaisa Health Share Option Scheme**") at the special general meeting of Kaisa Health held on 8 June 2015. A summary of the principal terms of the Kaisa Health Share Option Scheme is set out as follows:

(1) Purpose of the Kaisa Health Share Option Scheme

The purpose of the Kaisa Health Share Option Scheme is to recognise the contribution of the directors, employees and consultants of Kaisa Health by granting share options to them as incentives or rewards.

(2) Participants of the Kaisa Health Share Option Scheme

Participants of the Kaisa Health Share Option Scheme include all full-time or part-time employees, potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of Kaisa Health or any of its subsidiaries and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of the board of directors of Kaisa Health, will contribute or has contributed to Kaisa Health and/or any of its subsidiaries (the "**Eligible Kaisa Health Participants**").

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

The total number of Shares of Kaisa Health (the “**Kaisa Health Share(s)**”) which may be issued upon exercise of all Kaisa Health share options (“**Kaisa Health Share Options**”) granted and yet to be exercised under the Kaisa Health Share Option Scheme and other schemes of Kaisa Health must not exceed 30% of the Kaisa Health Shares in issue from time to time. The maximum number of Kaisa Health Shares in respect of which Kaisa Health Share Options may be granted under the Kaisa Health Share Option Scheme and options under the other schemes of Kaisa Health is 10% of the total number of Kaisa Health Shares in issue on the date of refreshment of scheme of the Kaisa Health Share Option Scheme (i.e. 22 June 2020) (“**Kaisa Health Share Option Scheme Refreshment Date**”). As at 30 June 2023, the maximum number of the Shares available for issue upon exercise of all Kaisa Health Share Options which may be granted under the Kaisa Health Share Option Scheme is 504,213,937 Kaisa Health Shares, being the sum of 10% of the issued share capital of Kaisa Health as at the Kaisa Health Share Option Scheme Refreshment Date and the Kaisa Health Share Options granted and yet to be exercised as at the Kaisa Health Share Option Scheme Refreshment Date minus the Kaisa Health Share Options exercised, cancelled, forfeited or lapsed, and represents approximately 2.81% of the total number of 5,042,139,374 Shares in issue as at the date of the report.

During the period ended 30 June 2023, no Kaisa Health Share Options were granted under the Kaisa Health Share Option Scheme. The summary below sets out the details of options granted as at 30 June 2023 pursuant to the Kaisa Health 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 (HKD)	Balance as at 1 January 2023	Granted during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
Directors of Kaisa Health									
Mr. Zhang Huagang	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1)	0.196	50,000,000 ^(Note 1)	-	-	-	50,000,000
Mr. Luo Jun	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1)	0.196	40,000,000 ^(Note 1)	-	-	-	40,000,000
Mr. Wu Tianyu ^(Note 2)	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1, 2)	0.196	20,000,000 ^(Note 1, 2)	-	-	-	20,000,000
Ms. Jiang Sisi ^(Note 2)	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1, 2)	0.196	10,000,000 ^(Note 1, 2)	-	-	-	10,000,000
Dr. Liu Yanwen	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1)	0.196	6,000,000 ^(Note 1)	-	-	-	6,000,000
Dr. Lyu Aiping	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1)	0.196	6,000,000 ^(Note 1)	-	-	-	6,000,000

Disclosure of Interests (continued)

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 (HKD)	Balance as at 1 January 2023	Granted during the period ended 30 June 2023	Exercised during the period ended 30 June 2023	Cancelled/ forfeited/ lapsed during the period ended 30 June 2023	Balance as at 30 June 2023
Employees and participants									
Employees and consultants	22 July 2020	0.142	22 July 2021 to 21 July 2030 ^(Note 1)	0.196	10,000,000 ^(Note 1)	-	-	-	10,000,000
Total					142,000,000	-	-	-	142,000,000

Notes:

- These share options were granted on 22 July 2020. 30% of the granted share option would vest on 22 July 2021 and be exercisable from 22 July 2021 to 21 July 2030. Another 30% of the granted share options would vest on 22 July 2022 and be exercisable from 22 July 2022 to 21 July 2030. The remaining 40% of the granted share options would vest on 22 July 2023 and be exercisable from 22 July 2023 to 21 July 2030.
- Ms. Jiang Sisi is the Chief Operating Officer of the Kaisa Health and also the director of certain subsidiaries of the Kaisa Health. She is also the spouse of Mr. Wu Tianyu. As such, Ms. Jiang Sisi and Mr. Wu Tianyu were deemed or taken to be interested in the share options of each other for the purposes of the SFO. The aggregate family interest in share options is 30,000,000 as at 30 June 2023.

(4) Maximum entitlement of each Participant

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

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

The period within which the Kaisa Health Share Options must be exercised will be specified by Kaisa Health 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 Kaisa Health Share Option is deemed to be granted and accepted.

(6) Payment on acceptance of Kaisa Health Share Option offer

The offer for the grant of options (the "Kaisa Health Offer") must be taken up within 14 days from the date of Kaisa Health Offer, with a payment of HK\$1.00 as consideration by the grantee.

(7) Basis of determining the exercise price

The exercise price per Kaisa Health Share under the Kaisa Health Share Option Scheme is determined at the highest of (i) the average closing prices of Kaisa Health Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the Kaisa Health Offer; (ii) the closing price of Kaisa Health Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Kaisa Health Offer; and (iii) the nominal value of the Kaisa Health Shares.

(8) Remaining life of the Kaisa Health Share Option Scheme

The Kaisa Health Share Option Scheme will remain valid until 7 June 2025 after which no further Kaisa Health Share Options shall be offered. However, the provisions of the Kaisa Health 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 Kaisa Health Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Kaisa Health Share Option Scheme and the Kaisa Health Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Kaisa Health Share Option Scheme.

Kaisa Capital Investment Holdings Limited

Kaisa Capital Investment Holdings Limited ("**Kaisa Capital**"), the Group's subsidiary engaged in construction equipment business and property development business, adopted a share option scheme (the "**Kaisa Capital Share Option Scheme**") at the extraordinary general meeting of Kaisa Capital held on 30 July 2015 (the "**Kaisa Capital Share Option Scheme Adoption Date**"). A summary of the principal terms of the Kaisa Capital Share Option Scheme is set out as follows:

(1) Purpose of the Kaisa Capital Share Option Scheme

The purpose of the Kaisa Capital Share Option Scheme is to provide an incentive and/or a reward to eligible participants for their contribution to, and continuing efforts to promote the interest of Kaisa Capital.

(2) Participants of the Kaisa Capital Share Option Scheme

Participants of the Kaisa Capital Share Option Scheme include (a) full-time or part-time employees of Kaisa Capital (including any directors, whether executive or non-executive and whether independent or not, of Kaisa Capital); (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 Kaisa Capital; and (c) any person who, in the sole discretion of the board of directors of Kaisa Capital, has contributed or may contribute to Kaisa Capital (the "**Eligible Kaisa Capital Participants**").

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

The total number of shares of Kaisa Capital (the "**Kaisa Capital Share(s)**") which may be issued upon exercise of all Kaisa Capital share options ("**Kaisa Capital Share Options**") granted and yet to be exercised under the Kaisa Capital Share Option Scheme and other schemes of Kaisa Capital must not exceed 30% of the total number of the Kaisa Capital Shares in issue from time to time. The maximum number of Kaisa Capital Shares in respect of which Kaisa Capital Share Options may be granted under the Kaisa Capital Share Option Scheme and options under the other schemes of Kaisa Capital is 10% of the total number of Kaisa Capital Shares in issue on the Kaisa Capital Share Option Scheme Adoption Date (i.e. 30 July 2015). As at 30 June 2023, the maximum number of the Kaisa Capital Shares available for issue upon exercise of all Kaisa Capital Share Options which may be granted under the Kaisa Capital Share Option Scheme is 80,000,000 Kaisa Capital Shares, being 10% of the issued share capital of Kaisa Capital as at the Kaisa Capital Share Option Scheme Adoption Date, and represents approximately 7.55% of the issued share capital of the Kaisa Capital as at the date of the report.

No Kaisa Capital Share Options were granted under the Kaisa Capital Share Option Scheme since the Kaisa Capital Share Option Scheme Adoption Date and during the period ended 30 June 2023.

(4) Maximum entitlement of each Participant

Unless approved by the shareholders of Kaisa Capital, the maximum number of Kaisa Capital Shares in respect of which Kaisa Capital Share Options may be granted under the Kaisa Capital Share Option Scheme to each Eligible Kaisa Capital Participant shall not, when aggregated with (a) any Shares issued upon exercise of Kaisa Capital Share Options granted under the Kaisa Capital Share Option Scheme or options under the other schemes which have been granted to that Eligible Kaisa Capital Participant; (b) any Shares which would be issued upon the exercise of outstanding Kaisa Capital Share Options granted under the Kaisa Capital Share Option Scheme or options under the other schemes granted to that Eligible Kaisa Capital Participant; and (c) any cancelled shares which were the subject of Kaisa Capital Share Options granted under the Kaisa Capital Share Option Scheme or options under the other schemes which had been granted to and accepted by that Eligible Kaisa Capital 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.

In addition, approval taken on a poll in a general meeting from the shareholder of Kaisa Capital will be required where Kaisa Capital Share Options are proposed to be granted to a connected person who is also a substantial shareholder (as defined in the Listing Rules) of Kaisa Capital or an independent non-executive director of Kaisa Capital or their respective associates and if such grant would result in the total number of Kaisa Capital Shares issued and to be issued upon exercise of the Kaisa Capital Share Options granted and to be granted (including Kaisa Capital Share Options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant to such person representing in aggregate over 0.1% of the total number of Kaisa Capital Shares in issue and having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5 million. The grantee, his associates and all core connected persons of Kaisa Capital must abstain from voting in favour of the proposed grant at such general meeting.

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

The period within which the Kaisa Capital Share Options must be exercised will be specified by Kaisa Capital 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 Kaisa Capital Share Option is deemed to be granted and accepted.

(6) Payment on acceptance of Kaisa Capital Share Option offer

The offer for the grant of options (the “**Kaisa Capital Offer**”) must be taken up within 21 days from the date of Kaisa Capital Offer, with a payment of HK\$10.00 as consideration by the grantee.

(7) Basis of determining the subscription price

The subscription price per Kaisa Capital Share under the Kaisa Capital Share Option Scheme is determined by the Board but shall not be less than the highest of (i) the closing price of the Kaisa Capital Shares as stated in the Stock Exchange’s daily quotations sheet on the date of Kaisa Capital Offer (the “**Kaisa Capital Offer Date**”), which must be a business day; (ii) the average of the closing prices of the Kaisa Capital Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Kaisa Capital Offer Date; and (iii) the nominal value of the Kaisa Capital Share.

(8) Remaining life of the Kaisa Capital Share Option Scheme

The Kaisa Capital Share Option Scheme will remain valid until 29 July 2025 after which no further Kaisa Capital Share Options shall be offered. However, the provisions of the Kaisa Capital 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 Kaisa Capital Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Kaisa Capital Share Option Scheme and the Kaisa Capital Share Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Kaisa Capital Share Option Scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

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")) as at 30 June 2023 as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") are set out as follows:

(i) Long/short positions in the Shares:

Name of Company	Name of Director	Number of ordinary Shares held				Total	Approximate percentage of the total number of shares in issue
		Personal Interest	Family Interest	Interest in controlled corporation	Interest in trust		
Kaisa Group Holdings Ltd.	KWOK Ying Shing	-	1,617,000 (L)	819,506,003 (L) (Note 1)	970,533,735 (L) (Note 2)	1,791,656,738 (L)	25.54%
	MAI Fan	238,000 (L)	-	-	-	238,000 (L)	0.00%
	ZHANG Yizhao	7,175,398	-	-	-	7,175,398 (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	308,000,000 (L)	-	310,020,000 (L)	6.15%
Kaisa Capital Investment Holdings Limited	KWOK Ying Shing	-	275,600,000	-	-	275,600,000	26.0%

Notes:

- For further details, please refer to Note 2 to the table under the section headed "SUBSTANTIAL SHAREHOLDERS".
- For further details, please refer to Note 3 to the table under the section headed "SUBSTANTIAL SHAREHOLDERS".
- The percentages were calculated based on Shares in issue of the corresponding entity as at 30 June 2023.

(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) [%]
SUN Yuenan	Beneficial owner	30,972,814	0.44%
MAI Fan	Beneficial owner	10,324,271	0.15%
LI Haiming	Beneficial owner	7,226,990	0.10%
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	0.02%

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 EXISTING SHARE OPTION SCHEME" and "THE NEW SHARE OPTION SCHEME" of this report.

The percentages were calculated based on 7,015,468,487 Shares in issue as at 30 June 2023, assuming all the options granted under the Share Option Scheme have been exercised.

Save for those disclosed above, as at 30 June 2023, 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) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, so far as the Directors were aware, persons other than the Directors or chief executive of the Company, who had 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 are set out as follows:

Name of substantial shareholder	Capacity	Number of shares (Note 1)	Approximate percentage of the issued share capital of the Company (%)
Da Chang Investment Company Limited ("Da Chang")	Beneficial owner	819,506,003 (L) (Note 2)	11.68%
Da Feng Investment Company Limited ("Da Feng")	Beneficial owner	970,533,735 (L) (Note 3)	13.83%
BEA Trustees	Trustee	970,533,735 (L) (Note 3)	13.83%
Da Zheng Investment Company Limited	Beneficial owner	963,503,287 (L)	13.73%
Funde Sino Life Insurance Co., Ltd.	Beneficial owner	649,700,957 (L)	21.92%
	Interest in a controlled corporation	887,995,149 (L) (Note 4)	
Fund Resources Investment Holding Group Company Limited	Beneficial owner	887,995,149 (L)	12.66%

Notes:

- 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.
- Da Chang is wholly owned by Mr. Kwok Ying Shing.
- 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.
- 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 30 June 2023. 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.
- The percentage were calculated based on 7,015,468,487 shares in issue as at 30 June 2023.

Save for those disclosed above, as at 30 June 2023, 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, or as otherwise notified to the Company and the Stock Exchange.

INDEPENDENT REVIEW REPORT



TO THE BOARD OF DIRECTORS OF KAISA GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial statements of Kaisa Group Holdings Ltd. (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 64 to 118, which comprises the condensed consolidated statement of financial position as at 30 June 2023, and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion, based on our review, on these interim financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of this interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements is not prepared, in all material respects, in accordance with HKAS 34.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2(iii) to the condensed consolidated financial statements that the Group incurred a loss attributable to owners of the Company of approximately RMB6,973,892,000 for the six months ended 30 June 2023 and as of that date, the Group had net current liabilities of RMB10,897,233,000, and the Group's current portion of interest-bearing bank and other borrowings amounted to RMB117,898,573,000, while its current portion of unrestricted cash bank balances and cash equivalents amounted to RMB1,396,824,000. Further, as at 30 June 2023, the Group had not repaid certain borrowings with the aggregate principal amount according to their scheduled repayment dates and the Group was involved in various litigation cases. These conditions along with the current situation as set forth in note 2(iii), which indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Elite Partners CPA Limited

Certified Public Accountants

30 August 2023

10/F., 8 Observatory Road

Tsim Sha Tsui

Kowloon, Hong Kong

Yip Kai Yin

Practising Certificate number: P07854

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Revenue	4	13,564,598	13,431,394
Cost of sales	5	(10,591,702)	(11,120,590)
Gross profit		2,972,896	2,310,804
Other gains and losses, net	6	(4,035,137)	(5,682,493)
Selling and marketing costs	5	(358,580)	(156,466)
Administrative expenses	5	(789,639)	(1,376,100)
Net fair value losses of investment properties	11	(124,000)	(183,108)
Net gain/(loss) on disposals of subsidiaries	27	17,804	(89,616)
Net loss on deemed disposal of subsidiaries		–	(678,692)
Provision for expected credit losses	6	(2,484,578)	(644,235)
Operating loss		(4,801,234)	(6,499,906)
Share of results of associates	13(a)	(516,837)	(214,926)
Share of results of joint ventures	13(a)	324,984	(252,160)
Finance income	7	42,021	211,576
Finance costs	7	(981,837)	(1,019,462)
Finance costs, net	7	(939,816)	(807,886)
Loss before income tax		(5,932,903)	(7,774,878)
Income tax (expenses)/credit	8	(667,597)	17,067
Loss for the period		(6,600,500)	(7,757,811)
(Loss)/profit for the period attributable to:			
Owners of the Company		(6,973,892)	(7,672,565)
Non-controlling interests		373,392	(85,246)
		(6,600,500)	(7,757,811)
Loss per share for loss attributable to owners of the Company during the period (expressed in RMB per share)			
– Basic	9	(0.994)	(1.104)
– Diluted	9	(0.994)	(1.104)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income (continued)
For the six months ended 30 June 2023

	Note	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Loss for the period		(6,600,500)	(7,757,811)
Other comprehensive income for the period, including reclassification adjustments			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange gain on translation of foreign operations		29,769	25,500
Share of other comprehensive (expense)/income of associates, net of income tax	13(a)	(2,602)	3
Other comprehensive income for the period, including reclassification adjustments		27,167	25,503
Total comprehensive expense for the period		(6,573,333)	(7,732,308)
Total comprehensive (expense)/income for the period attributable to:			
Owners of the Company		(6,959,617)	(7,657,163)
Non-controlling interests		386,284	(75,145)
		(6,573,333)	(7,732,308)

The notes on pages 71 to 118 are an integral part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 June 2023

	Notes	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Non-current assets			
Property, plant and equipment	11	5,212,391	4,456,386
Right-of-use assets	12	584,259	574,378
Investment properties	11	9,328,400	9,452,400
Land use rights	11	385,848	395,098
Interests in associates	13(a)	24,633,892	25,155,266
Interests in joint ventures	13(b)	8,491,574	8,166,590
Financial assets at fair value through profit or loss	14	6,073,242	6,359,654
Debtors, deposits and other receivables	15	33,045	26,553
Goodwill and intangible assets	16	961,797	974,984
Deferred tax assets		1,503,437	1,509,410
Total non-current assets		57,207,885	57,070,719
Current assets			
Properties under development	18	85,575,267	91,871,852
Completed properties held-for-sale		18,524,766	16,465,066
Inventories		384,745	347,600
Debtors, deposits and other receivables	15	50,360,719	52,575,325
Deposits for land acquisition		227,581	226,434
Prepayments for proposed development projects		38,441,355	38,581,706
Prepaid tax		100,015	519,266
Restricted bank balances and cash	17	3,115,229	3,713,407
Financial assets at fair value through profit or loss	14	856,470	904,837
Cash and bank balances	17	1,396,824	2,067,642
Total current assets		198,982,971	207,273,135
Current liabilities			
Contract liabilities		29,305,804	36,629,118
Accrued construction costs		11,919,790	12,409,696
Income tax payable		12,812,266	12,569,282
Lease liabilities	19	138,674	127,418
Borrowings	20	117,898,573	109,892,414
Other payables	21	37,805,097	30,091,531
Total current liabilities		209,880,204	201,719,459

Condensed Consolidated Statement of Financial Position (continued)
For the six months ended 30 June 2023

	Notes	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Net current (liabilities)/assets		(10,897,233)	5,553,676
Total assets less current liabilities		46,310,652	62,624,395
Non-current liabilities			
Lease liabilities	19	455,767	467,704
Borrowings	20	19,679,883	24,275,535
Other payables	21	3,954	18,548
Deferred tax liabilities		2,502,084	2,617,644
Total non-current liabilities		22,641,688	27,379,431
Net assets		23,668,964	35,244,964
Equity			
Share capital	22	613,530	613,530
Share premium	22	6,376,801	6,376,801
Perpetual capital securities	23	1,350,054	1,350,054
Reserves	24	(7,433,094)	(477,548)
Equity attributable to owners of the Company		907,291	7,862,837
Non-controlling interests		22,761,673	27,382,127
Total equity		23,668,964	35,244,964

The financial statements on pages 64 to 70 were approved by the board of directors on 30 August 2023 and were signed on its behalf by:

Kwok Ying Shing
Director

Mai Fan
Director

The notes on pages 71 to 118 are an integral part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Unaudited						
	Attributable to owners of the Company						
	Share capital	Share premium	Perpetual Capital Securities	Reserves	Sub-total	Non-controlling interests	Total equity
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance as at 1 January 2023 (audited)	613,530	6,376,801	1,350,054	(477,548)	7,862,837	27,382,127	35,244,964
Loss for the period	-	-	-	(6,973,892)	(6,973,892)	373,392	(6,600,500)
Other comprehensive income for the period	-	-	-	14,275	14,275	12,892	27,167
Total comprehensive expense for the period	-	-	-	(6,959,617)	(6,959,617)	386,284	(6,573,333)
Deregistration of subsidiaries	-	-	-	-	-	(4,900,000)	(4,900,000)
Capital injection by non-controlling interests	-	-	-	-	-	926	926
Disposals of subsidiaries (note 27)	-	-	-	-	-	(83,384)	(83,384)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	(24,280)	(24,280)
Share-based payments	-	-	-	4,071	4,071	-	4,071
Balance as at 30 June 2023 (unaudited)	613,530	6,376,801	1,350,054	(7,433,094)	907,291	22,761,673	23,668,964
Balance as at 1 January 2022 (audited)	613,530	6,376,801	1,350,054	12,690,673	21,031,058	38,050,958	59,082,016
Loss for the period	-	-	69,701	(7,742,266)	(7,672,565)	(85,246)	(7,757,811)
Other comprehensive income for the period	-	-	-	15,402	15,402	10,101	25,503
Total comprehensive expenses for the period	-	-	69,701	(7,726,864)	(7,657,163)	(75,145)	(7,732,308)
Acquisitions of subsidiaries	-	-	-	-	-	(391,316)	(391,316)
Acquisitions of non-controlling interests of subsidiaries	-	-	-	-	-	(98,000)	(98,000)
Capital injection by non-controlling interests	-	-	-	-	-	401	401
Disposals of subsidiaries	-	-	-	-	-	(198,385)	(198,385)
Distribution payable on perpetual capital securities	-	-	(69,701)	-	(69,701)	-	(69,701)
Deemed disposal of subsidiaries	-	-	-	-	-	(10,315,921)	(10,315,921)
Dividend paid to non-controlling interests of subsidiaries	-	-	-	-	-	(597)	(597)
Share-based payments	-	-	-	10,658	10,658	-	10,658
Balance as at 30 June 2022 (unaudited)	613,530	6,376,801	1,350,054	4,974,467	13,314,852	26,971,995	40,286,847

The notes on pages 71 to 118 are an integral part of this condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

		Unaudited Six months ended 30 June	
		2023	2022
Notes		RMB'000	RMB'000
Cash flows from operating activities			
Cash used in operations		(373,033)	(4,832,789)
Income tax paid		(286,613)	(345,883)
Interest paid		(160,578)	(793,395)
<i>Net cash used in operating activities</i>		(820,224)	(5,972,067)
Cash flows from investing activities			
Additions to property, plant and equipment		11 (57,281)	(146,418)
Additions to investment properties		11 –	(67,408)
Additions to intangible assets		16 (4,899)	–
Additions to right-of-use assets		(834)	–
Capital injection to associates		13(a) –	(4,900)
Acquisitions of subsidiaries, net of cash acquired		–	388,041
(Increase)/decrease in amounts due from joint ventures		(116,594)	160,375
Increase in amounts due from associates		(220,822)	(3,815,408)
Increase in amounts due from non-controlling interest of a subsidiary		(36,098)	(60,554)
Decrease in long-term bank deposits		–	299,844
Capital injection to joint ventures		13(b) –	(4,000)
Decrease in consideration payables related to acquisition of an associate		–	(2,100)
Cash (outflow)/inflow from disposals of subsidiaries		27 (6,159)	152,125
Cash outflow from deemed disposals of subsidiaries		–	(89,447)
Payment for consideration payables related to acquisition of subsidiaries		(60,014)	(15,543)
Purchase of financial assets at FVTPL		14 –	(340,764)
Proceeds from disposals of financial assets at FVTPL		32,431	676,939
Proceeds from disposals of property, plant and equipment		34,472	189,833
Cash inflow from other investing activities		42,021	227,637
<i>Net cash used in investing activities</i>		(393,777)	(2,451,748)

Condensed Consolidated Statement of Cash Flows (continued)
For the six months ended 30 June 2023

	Notes	Unaudited Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Cash flows from financing activities			
Increase in amounts due to associates		48,885	3,937,106
(Decrease)/increase in amounts due to joint ventures		(73,780)	1,840,093
Decrease in restricted cash relating to borrowings		50,246	4,937,940
Capital injection from non-controlling interests		926	401
Increase/(decrease) in amounts due to non-controlling interests of subsidiaries		1,602	(435)
Proceeds from bank and other borrowings		865,169	96,279
Proceeds from loan from the controlling shareholder of the Company		115,000	-
Repayments of bank and other borrowings		(449,612)	(2,186,649)
Cash outflow from other financing activities		(69,422)	(49,007)
<i>Net cash generated from financing activities</i>		489,014	8,575,728
Net (decrease)/increase in cash and cash equivalents		(724,987)	151,913
Cash and cash equivalents at the beginning of period		2,067,642	3,060,184
Exchange adjustments		54,169	110,030
Cash and cash equivalents at the end of period, represented by cash and bank balances		1,396,824	3,322,127

The notes on pages 71 to 118 are an integral part of this condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

1. GENERAL INFORMATION

Kaisa Group Holdings Ltd. (the “**Company**”) 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.

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

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

These condensed consolidated financial statements are presented in Renminbi (“**RMB**”), the currency of the primary economic environment in which most of the group entities operate (the functional currency of the Company and most of the entities comprising the Group), and all values are rounded to the nearest thousand (‘000), unless otherwise stated. The condensed consolidated financial statements have not been audited and were authorised for issue by the Board of Directors on 30 August 2023.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of preparation

These condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Hong Kong Accounting Standard (“**HKAS**”) 34, “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA.

(ii) Application of amendments to HKFRSs

The condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with the accounting policies adopted in the Group’s annual financial statements for the year ended 31 December 2022, except for the adoption of following amended HKFRSs effective as of 1 January 2023.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction

The Group has not early adopted any other standards, interpretation or amendment that has been issued but is not yet effective.

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

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

(iii) Going concern basis

For the six months ended 30 June 2023, the Group incurred net loss of RMB6,600,500,000. As at 30 June 2023, the Group's net current liabilities amounted to RMB10,897,233,000. As at 30 June 2023, the Group's current liabilities (including those that had become default or cross-default or contain early demand clauses) were amounted to RMB209,880,204,000.

In addition, as at 30 June 2023, the Group did not repay certain bank and other borrowings of about RMB49,212,455,000 according to their scheduled repayment dates. As a result, as at 30 June 2023, bank and other borrowings with the aggregate principal amount of about RMB104,058,326,000 had become default or cross-default. Subsequent to 30 June 2023, the Group did not repay certain other bank and other borrowings according to their scheduled repayment dates. Furthermore, the Company and its subsidiaries were involved in various litigation cases.

These events or conditions indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company (the "Directors") have given careful consideration to the future liquidity and performance of the Group and the Group's available sources of financing and have considered the Group's cash flow projections prepared by management for a period of not less than 12 months from the end of the reporting period. The following plans and measures are formulated with the objective to mitigate the liquidity pressure of the Group:

- The Company has appointed Houlihan Lokey (China) Limited as its financial adviser for its offshore debt restructuring. The Group is actively in discussions with the existing lenders on the renewal of the Group's certain borrowings. These discussions have been constructive and focused on possible actions in light of current circumstances but do require time to formulate or implement due to ongoing changes in market conditions. At the same time, the Group has been actively communicating with creditors to resolve the pending litigation cases. In addition, the Group will continue to seek for new sources of financing or accelerate asset sales address upcoming financial obligations and future operating cash flow requirements whilst engaging in existing lenders;
- The Group will continue to implement measures to accelerate the pre-sales and sales of its properties under development and completed properties, and to speed up the collection of outstanding sales proceeds and other receivables. Recent relaxation of policies with regards to pre-sale requirements have been encouraging to increase buyer interests and stimulate demand. The Group will also continue to actively adjust sales and pre-sale activities to better respond to changing markets to achieve the latest budgeted sales and pre-sales volumes and amounts;
- The Group will continue to seek suitable opportunities to dispose of its equity interest in certain project development companies to generate additional cash inflows. The Group's properties are predominantly located in higher tier cities that make it relatively more attractive to potential buyers and retain a higher value in current market conditions;
- The Group has already taken measures to control administrative costs and contain unnecessary capital expenditures to preserve liquidity. The Group will continue to actively assess additional measures to further reduce discretionary spending;

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(continued)

(iii) Going concern basis *(continued)*

The Directors, taking into account the above plans and measures, are of the opinion that, they are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the six months ended 30 June 2023 on a going concern basis.

Notwithstanding the above, given the volatility of the property sector in Mainland China and the uncertainties to obtain support from the Group's creditors and various litigations' outcome, material uncertainties exist as to whether or not the Group will be able to achieve its plans and measures as described above.

Should the Group be unable to operate as a going concern, adjustments would have to be made to write down the carrying amounts of the assets to their net recoverable amounts, to provide for any further liabilities that may 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 the condensed consolidated financial statements of the Group for the six months ended 30 June 2023.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

There have been no material changes in the risk management policies of the Group since year ended 31 December 2022.

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by level of the inputs to valuation techniques used to measure fair value. The three levels of fair value hierarchy are defined based on the observability and significance of inputs to the measurements 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 or indirectly, 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 level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of inputs that is significant to the fair value measurement.

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 31 December 2022 and 30 June 2023.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(continued)*

3.2 Fair value estimation *(continued)*

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
As at 30 June 2023 (unaudited)				
Assets				
Financial assets at FVTPL (note 14)	856,470	1,853,303	4,219,939	6,929,712
As at 31 December 2022 (audited)				
Assets				
Financial assets at FVTPL (note 14)	904,837	1,784,385	4,575,269	7,264,491

During the six months ended 30 June 2023, there were no transfers between level 1, 2 and 3 (31 December 2022: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the reporting date in which they occur.

3.3 Valuation technique used to derive level 1 fair values

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(continued)*

3.4 Fair value measurements using significant unobservable inputs (level 2)

The reconciliation of the carrying amounts of the Group's financial assets at FVTPL within level 2 of the fair value hierarchy is as follows:

	Unaudited	
	2023 RMB'000	2022 RMB'000
Fair value as at 1 January (audited)	1,784,385	2,944,787
Additions	-	340,264
Acquisition of subsidiaries	-	5,350
Fair value changes	118,918	(1,696,094)
Derecognition	(50,000)	(298,127)
Exchange realignment	-	(19,240)
Fair value as at 30 June (unaudited)	1,853,303	1,276,940

As of 30 June 2023 and 2022, the financial assets at FVTPL classified as Level 2 mainly represented unlisted managed funds.

Fair value gain on financial assets at FVTPL of RMB118,918,000 (unaudited) for the six months ended 30 June 2023 (six months ended 30 June 2022: fair value loss of RMB1,696,094,000 (unaudited)) was included in "other gains and losses, net", in the condensed consolidated statement of profit or loss and other comprehensive income.

The fair value of unlisted managed funds of RMB1,853,303,000 (unaudited) as at 30 June 2023 (six months ended 30 June 2022: RMB1,276,940,000 (unaudited)) in Level 2 were determined by reference to the net asset value of these investments provided by financial institutions.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(continued)*

3.5 Fair value measurements using significant unobservable inputs (level 3)

The reconciliation of the carrying amounts of the Group's financial assets at FVTPL within level 3 of the fair value hierarchy is as follows:

	Unaudited	
	2023 RMB'000	2022 RMB'000
Fair value as at 1 January (audited)	4,575,269	5,256,659
Additions	31,360	500
Disposals	-	(7,893)
Deemed disposal of subsidiaries	-	(147,438)
Fair value changes	(365,351)	290,297
Exchange realignment	(21,339)	312
Fair value as at 30 June (unaudited)	4,219,939	5,392,437

Additions during both of the six months ended 30 June 2023 and 2022 mainly represented unlisted equity securities.

Fair value loss on financial assets at FVTPL of RMB365,351,000 (unaudited) for the six months ended 30 June 2023 (six months ended 30 June 2022: fair value gain of RMB290,297,000 (unaudited)) was included in "Other gains and losses, net" in the condensed consolidated statement of profit or loss and other comprehensive income.

3. FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION OF FINANCIAL INSTRUMENTS *(continued)*

3.5 Fair value measurements using significant unobservable inputs (level 3) *(continued)*

The fair value of major financial instruments are determined by using the market approach method and income approach model. The valuation techniques and significant unobservable inputs of these financial assets at FVTPL are as follows:

Financial instrument	Valuation techniques	Significant unobservable inputs	30 June 2023 (Unaudited)	31 December 2022 (Audited)	Sensitivity relationship of unobservable inputs to fair value
Unlisted equity securities	Market approach method	Price to book ratios	0.4 to 3.1	0.3 to 3.4	Increase/(decrease) in price book ratio would result in increase/(decrease) in fair value
		Discount for lack of marketability	20%	20%	Increase/(decrease) in discount would result in (decrease)/increase in fair value
Other financial asset	Income approach	Expected growth rate	0%-2%	3%-5%	Increase/(decrease) in expected growth rate would result in increase/(decrease) in fair value
		Discount rate	11.5%	10.0%	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.

3.6 Fair value of financial assets and liabilities carried at amortised cost

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value as at 31 December 2022 and 30 June 2023 except for the following financial instruments, for which their carrying amounts and fair value are disclosed below:

	Unaudited 30 June 2023		Audited 31 December 2022	
	Carrying amount RMB'000	Fair value RMB'000	Carrying amount RMB'000	Fair value RMB'000
Borrowings:				
– Senior notes (note 20(a))	84,522,232	5,707,496	81,642,282	11,609,041

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker (“**CODM**”) has been identified as the executive directors of the Company. The executive directors reviewed the Group’s internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on these reports. The executive directors assessed the performance of each single operating segment based on a measure of segment results. Net fair value losses on financial assets at FVTPL, corporate and other unallocated expenses, finance income, finance costs and income tax credit/expenses are not included in the result for each operating segment.

The CODM identified the segments based on the nature of business operations. Specifically, the CODM assessed the performance of property development, property investment, property management services, hotel and catering operations, cultural centre operations, water-way passenger and cargo transportation, healthcare operations regarded these being the reportable segments. The Group grouped its financial service business under other segment which was insignificant to present as a separate segment.

As the CODM of the Group considers most of the revenue and results of the Group are attributable to the market primarily in the PRC, and over 90% of the Group’s assets are located in the PRC, no geographical segment information is presented.

Revenue for the period consists of the following:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB’000	RMB’000
Sales of properties	11,727,659	11,347,209
Rental income	197,456	188,560
Property management services	827,538	814,753
Hotel and catering operations	159,884	133,214
Cultural centre operations	84,634	114,775
Water-way passenger and cargo transportation	–	232,265
Healthcare operations	314,281	217,157
Others	253,146	383,461
	13,564,598	13,431,394

4. REVENUE AND SEGMENT INFORMATION *(continued)*

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2023 is as follows:

	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel and catering operations RMB'000	Cultural centre operations RMB'000	Water-way passenger and cargo transportation RMB'000	Healthcare operations RMB'000	Others RMB'000	Total RMB'000
Revenue	11,727,659	224,406	935,230	161,740	101,731	-	314,281	289,058	13,754,105
Less: Inter-segment revenue	-	(26,950)	(107,692)	(1,856)	(17,097)	-	-	(35,912)	(189,507)
Revenue from external customers	11,727,659	197,456	827,538	159,884	84,634	-	314,281	253,146	13,564,598
Timing of revenue recognition under HKFRS 15									
At a point in time	11,727,659	-	-	-	-	-	314,281	253,146	12,295,086
Over time	-	-	827,538	159,884	84,634	-	-	-	1,072,056
Revenue from other sources of HKFRS 15	-	197,456	-	-	-	-	-	-	197,456
	11,727,659	197,456	827,538	159,884	84,634	-	314,281	253,146	13,564,598
Segment results before net fair value losses on investment properties and share of results of associates and joint ventures	(1,486,193)	99,494	126,070	21,384	(60,033)	(530)	102,483	(3,123,411)	(4,320,736)
Net fair value losses on investment properties (note 11)	-	(124,000)	-	-	-	-	-	-	(124,000)
Share of results of associates (note 13(a))	(401,422)	-	(4,179)	-	-	-	-	(111,236)	(516,837)
Share of results of joint ventures (note 13(b))	190,927	-	-	-	-	-	-	134,057	324,984
Segment results	(1,696,688)	(24,506)	121,891	21,384	(60,033)	(530)	102,483	(3,100,590)	(4,636,589)
Fair value losses on financial assets at FVTPL									(262,369)
Corporate and other unallocated expenses									(94,129)
Finance income									42,021
Finance costs									(981,837)
Finance costs, net (note 7)									(939,816)
Loss before income tax									(5,932,903)
Income tax expense (note 8)									(667,597)
Loss for the period									(6,600,500)

4. REVENUE AND SEGMENT INFORMATION *(continued)*

The segment information provided to the CODM for the reportable segments for the six months ended 30 June 2022 is as follows:

	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel and catering operations RMB'000	Cultural centre operations RMB'000	Water-way passenger and cargo transportation RMB'000	Healthcare operations RMB'000	Others RMB'000	Total RMB'000
Revenue	11,347,209	206,033	936,557	154,639	124,672	232,265	217,157	423,744	13,642,276
Less: Inter-segment revenue	-	(17,473)	(121,804)	(21,425)	(9,897)	-	-	(40,283)	(210,882)
Revenue from external customers	11,347,209	188,560	814,753	133,214	114,775	232,265	217,157	383,461	13,431,394
Timing of revenue recognition under HKFRS 15									
At a point in time	11,347,209	-	-	-	-	55,007	217,157	383,461	12,002,834
Over time	-	-	814,753	133,214	114,775	177,258	-	-	1,240,000
Revenue from other sources of HKFRS 15	-	188,560	-	-	-	-	-	-	188,560
	11,347,209	188,560	814,753	133,214	114,775	232,265	217,157	383,461	13,431,394
Segment results before net fair value losses on investment properties and share of results of associates and joint ventures	247,750	335,587	63,932	7,558	(56,225)	(723,159)	(82,830)	(4,079,404)	(4,286,791)
Net fair value losses on investment properties (note 11)	-	(183,108)	-	-	-	-	-	-	(183,108)
Share of results of associates (note 13(a))	(147,073)	-	3,405	-	-	-	-	(71,257)	(214,925)
Share of results of joint ventures (note 13(b))	(202,221)	-	-	-	-	-	-	(49,939)	(252,160)
Segment results	(101,544)	152,479	67,337	7,558	(56,225)	(723,159)	(82,830)	(4,200,600)	(4,936,984)
Net fair value losses on financial assets at FVTPL									(1,889,747)
Corporate and other unallocated expenses									(140,261)
Finance income									211,576
Finance costs									(1,019,462)
Finance costs, net (note 7)									(807,886)
Loss before income tax									(7,774,878)
Income tax credit (note 8)									17,067
Loss for the period									(7,757,811)

4. REVENUE AND SEGMENT INFORMATION *(continued)*

The segment assets and liabilities as at 30 June 2023 are as follows:

	Unaudited									
	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel and catering operations RMB'000	Cultural centre operations RMB'000	Water-way passenger and cargo transportation RMB'000	Healthcare operations RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	996,585,742	37,180,616	6,988,259	3,766,729	11,212,773	14,910,045	4,804,771	165,706,784	(993,498,027)	247,657,692
Unallocated										8,533,164
										256,190,856
Segment liabilities	821,703,590	2,054,223	3,540,220	3,281,814	11,743,176	15,202,521	785,585	155,532,411	(934,099,454)	79,744,086
Unallocated										152,777,806
										232,521,892

The segment assets and liabilities as at 31 December 2022 are as follows:

	Audited									
	Property development RMB'000	Property investment RMB'000	Property management RMB'000	Hotel and catering operations RMB'000	Cultural centre operations RMB'000	Water-way passenger and cargo transportation RMB'000	Healthcare operations RMB'000	Others RMB'000	Elimination RMB'000	Total RMB'000
Segment assets	1,016,719,551	37,100,830	6,721,907	3,759,684	11,238,689	14,910,661	4,979,334	169,703,560	(1,010,083,529)	255,050,687
Unallocated										9,293,167
										264,343,854
Segment liabilities	838,095,593	2,229,423	3,398,437	3,272,229	11,685,820	15,174,528	1,014,449	155,908,976	(951,035,439)	79,744,016
Unallocated										149,354,874
										229,098,890

For the six months ended 30 June 2023 and 2022, none of the Group's customer accounted for more than 10% of the Group's total revenue.

Sales between segments are carried out at agreed terms amongst relevant parties. The revenue from external parties reported to the management is measured in a manner consistent with that in the profit or loss.

There is no change in the basis of segmentation or basis of measurement of segment profit or loss for the six months ended 30 June 2023.

Segment assets consist primarily of all assets excluding financial assets at FVTPL, deferred tax assets and prepaid taxes.

Segment liabilities consist primarily of all liabilities excluding deferred tax liabilities, income tax payable, and corporate borrowings.

5. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Advertising and other promotional costs	133,371	55,433
Agency fees	149,588	17,531
Amortisation of land use rights (note 11)	6,738	9,972
Amortisation of intangible assets (note 16)	18,086	17,207
Cost of properties sold	9,312,469	9,789,205
Depreciation		
– Property plant and equipment (note 11)	175,142	191,526
– Right-of-use assets	30,184	64,087
Direct operating expenses arising from		
– Property investment	93,679	121,842
– Property management services	617,432	652,135
– Hotel and catering operations	103,247	99,413
– Cultural centre operations	199,182	124,020
– Water-way passenger and cargo transportation	–	179,782
– Healthcare operations	156,977	99,117
Donations	3	123
Legal and professional fees	104,168	174,642
Minimum lease payment under operating leases (note)	531	8,641
Other taxes	63,021	45,290
Staff costs – including directors' emoluments	456,458	835,212

Note: According to HKFRS 16 Leases, payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of less than 12 months.

6. OTHER GAINS AND LOSSES – NET

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Dividend income from financial assets at FVTPL	–	16,061
Forfeited customer deposits	2,504	1,909
Government subsidy income (note)	86,045	62,365
Net losses on disposals of financial assets at FVTPL	(50,000)	(51,840)
Net fair value losses on financial assets at FVTPL (note 14)	(262,369)	(1,889,747)
Net gains on disposal of property, plant and equipment	167	27,700
Write-down of completed properties held for sale and properties under development	(376,346)	(4,486)
Net exchange losses	(3,057,450)	(3,867,822)
(Provision)/Reversal for ECL allowance/written-off include:		
– relating to financial assets and contract assets	(605,305)	(801,167)
– relating to financial guarantees	(1,879,273)	156,932
	(2,484,578)	(644,235)

Note: The amount represented the subsidies received from the local government bureau in the PRC. There was no unfulfilled conditions and other contingencies attached to the receipts of subsidies.

7. FINANCE COSTS – NET

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Finance income		
Interest income on bank deposits	42,021	211,576
Finance costs		
Interest expense:		
– Bank and other borrowings	2,013,463	1,913,417
– Senior Notes (note 20(a))	4,216,531	3,751,846
– Lease liabilities	4,257	2,664
Total interest expenses	6,234,251	5,667,927
Less: interests capitalised	(5,252,414)	(4,648,465)
	981,837	1,019,462
Finance costs – net	(939,816)	(807,886)

8. INCOME TAX EXPENSES/(CREDIT)

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Current income tax		
– PRC enterprise income tax	184,818	97,357
– PRC land appreciation tax	585,506	60,521
Deferred tax	(102,727)	(174,945)
	667,597	(17,067)

Income tax expenses for the six months ended 30 June 2023 and 2022 is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year.

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 Cayman Islands income tax. The group companies in British Virgin Islands ("BVI") were incorporated under the International Business Companies Act of the British Virgin Islands and, accordingly, is exempted from British Virgin Islands income tax.

Hong Kong profits tax

No Hong Kong profits tax was provided for the six months ended 30 June 2023 and 2022 as the Group has no assessable profits arising in or derived from Hong Kong for the periods.

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 enterprise income tax

PRC enterprise income tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (Six months ended 30 June 2022: 25%).

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 costs of land use rights and all property development expenditures.

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Loss attributable to owners of the Company	(6,973,892)	(7,672,565)
Distribution payables on perpetual capital securities	-	(69,701)
	(6,973,892)	(7,742,266)

	Number of shares	
	2023	2022
Weighted average number of ordinary shares for the purpose of basic loss per share	7,015,468,487	7,015,468,487

Notes:

- (a) The computation of diluted loss per share for the six months ended 30 June 2023 and 2022 did not assume the exercise of outstanding share options of the Company since their assumed conversion would result in a decrease in loss per share.
- (b) The dilutive effect of the share options issued by the Group's listed subsidiaries, Kaisa Prosperity Holdings Limited ("Kaisa Prosperity") and Kaisa Health Group Holdings Limited ("Kaisa Health"), were insignificant for the six months ended 30 June 2023 and 2022.

10. DIVIDENDS

No interim dividend declared for the six months ended 30 June 2023 and 2022.

11. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND LAND USE RIGHTS

	Unaudited		
	Property, plant and equipment RMB'000	Investment properties RMB'000	Land use rights RMB'000
Six months ended 30 June 2023			
Opening net carrying amount as at 1 January 2023 (audited)	4,456,386	9,452,400	395,098
Additions	57,281	-	834
Transfer from properties held-for-sale	914,215	-	-
Amortisation (note 5)	-	-	(6,738)
Depreciation (note 5)	(175,142)	-	-
Disposals of subsidiaries (note 27)	(2,550)	-	(3,328)
Disposals	(34,305)	-	-
Decrease in fair value, net	-	(124,000)	-
Exchange realignment	(3,494)	-	(18)
Closing net carrying amount as at 30 June 2023 (unaudited)	5,212,391	9,328,400	385,848

	Unaudited		
	Property, plant and equipment RMB'000	Investment properties RMB'000	Land use rights RMB'000
Six months ended 30 June 2022			
Opening net carrying amount as at 1 January 2022 (audited)	5,245,085	20,262,500	672,088
Acquisitions of subsidiaries	459,102	-	-
Additions	146,418	67,408	-
Amortisation (note 5)	-	-	(9,972)
Depreciation (note 5)	(191,526)	-	-
Disposals of subsidiaries	(288,976)	-	(6,522)
Deemed disposal of subsidiaries	(510,525)	-	-
Disposals	(162,133)	-	-
Decrease in fair value, net	-	(183,108)	-
Exchange realignment	(3,513)	-	(42)
Closing net carrying amount as at 30 June 2022 (unaudited)	4,693,932	20,146,800	655,552

Note:

The fair value of the Group's investment properties in the PRC had been arrived at on the basis of valuation carried out on that date by Savills Valuation and Professional Services Limited, an independent professional qualified valuer. For all investment properties, their current use equates to the highest and best use.

11. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND LAND USE RIGHTS *(continued)*

Fair value measurements using significant unobservable inputs

For the investment properties

Fair values of completed commercial properties are generally derived from 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 are made reference to recent lettings, within the subject properties and other comparable properties.

Fair values of commercial properties under development are generally derived from using the combination of direct comparison method by making reference to the comparable market transactions for the land portion as available in the market and the income capitalisation method by capitalising market rent derived from the properties. This valuation method is essentially a means of valuing the land and properties under development by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

There were no changes to the valuation techniques during the period.

Significant inputs used to determine fair value

Completed commercial properties:

	Unaudited 30 June 2023		Audited 31 December 2022	
	Commercial	Carpark	Commercial	Carpark
Capitalisation rate	2.5%-6.5%	6.5%	2.5%-6.5%	6.5%
Expected vacancy rate	0%-10%	N/A	0%-6%	N/A
Monthly rental	RMB74-774 per sq.m.	RMB2,330 per unit	RMB73-775 per sq.m.	RMB2,330 per unit

Capitalisation and discount rates are estimated by the valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value.

11. PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES AND LAND USE RIGHTS *(continued)*

Fair value measurements using significant unobservable inputs *(continued)*

For the investment properties *(continued)*

Significant inputs used to determine fair value *(continued)*

Commercial properties under development:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Term yield and revisionary yield	4.35% - 4.75%	3% - 4.75%
Budgeted construction cost (RMB/sq.m.)	1,200 - 4,000	1,200 - 6,000
Anticipated developer's profit margin	5% - 10%	5% - 12%

The higher the term yield and revisionary yield, the lower the fair value.

Estimated costs to complete per square meter and developer's profit margin required are estimated by the valuer based on market conditions at the reporting dates. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. The higher the costs, the lower the fair value.

As at 30 June 2023 and 31 December 2022, the fair value measurement of the Group's investment properties is categorised at level 3. During the six months ended 30 June 2023 and 2022, there was no transfer into or out of level 3.

12. RIGHT-OF-USE ASSETS

The right-of-use assets represented leases of staff quarters, offices and items of office equipment in Hong Kong and PRC.

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(a) Interests in associates

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Cost of investments in associates, less accumulated impairment		
– Listed	1,100,551	1,100,551
– Unlisted	24,933,104	24,935,039
Share of post-acquisition loss and other comprehensive expenses, net of dividend received	(1,399,763)	(880,324)
	24,633,892	25,155,266

13. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD *(continued)*

(a) Interests in associates *(continued)*

Movements of interests in associates during the six months ended 30 June 2023 and 2022 are as follows:

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
At 1 January	25,155,266	7,088,114
Addition from deemed disposal of subsidiaries and joint ventures	-	18,638,393
Deemed disposal	-	(11,282)
Additions	-	55,000
Capital injection to associates	-	4,900
Deregistration of associate	(1,935)	-
Share of results of associates	(516,837)	(214,926)
Share of other comprehensive income of an associate	(2,602)	3
At 30 June	24,633,892	25,560,202

(b) Interests in joint ventures

Movements of interests in joint ventures during the six months ended 30 June 2023 and 2022 are as follows:

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Unlisted investments		
At 1 January	8,166,590	12,997,981
Deemed disposal	-	(4,612,826)
Capital injection to joint ventures	-	4,000
Derecognise upon additional acquisitions of subsidiaries	-	(108,301)
Share of results of joint ventures	324,984	(252,160)
At 30 June	8,491,574	8,028,694

14. FINANCIAL ASSETS AT FAIR VALE THROUGH PROFIT OR LOSS

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
At 1 January	7,264,491	11,040,284
Additions (note 27)	31,360	340,764
Acquisitions of subsidiaries	-	5,350
Disposals	(82,431)	(1,628,064)
Deemed disposal of subsidiaries	-	(147,438)
Net fair value losses (note 6)	(262,369)	(1,889,747)
Exchange difference	(21,339)	(32,131)
At 30 June	6,929,712	7,689,018
Less: non-current	(6,073,242)	(6,358,940)
	856,470	1,330,078

As at 30 June 2023 and 31 December 2022, the balances of financial assets at FVTPL include the followings:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Listed securities	856,470	904,837
Unlisted securities or funds and other financial asset	6,073,242	6,359,654
Less: non-current	(6,073,242)	(6,359,654)
	856,470	904,837

Changes in fair values of these investments are recorded in "Net fair value losses on financial assets at FVTPL" in "other gains and losses, net" in the condensed consolidated statement of profit or loss and other comprehensive income.

15. DEBTORS, DEPOSITS AND OTHER RECEIVABLES

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Trade debtors – net (note (a))	1,984,104	1,935,324
Other receivables (note (b))	12,351,082	12,811,418
Other deposits (note (b))	1,814,855	1,913,621
Prepayments (note (c))	3,647,561	2,475,206
Prepaid other taxes	1,571,399	1,553,411
Amounts due from associates (note (b))	13,516,682	15,021,916
Amounts due from joint ventures (note (b))	15,264,439	15,767,845
Amount due from non-controlling interests of subsidiaries, net of direct written-off (note (b))	2,949,538	4,250,548
	51,115,556	53,793,965
Less: Provision for ECL allowances (note d)	(2,705,896)	(3,127,411)
Deposits, prepayments and other receivables – net	48,409,660	50,666,554
Total debtors, deposits and other receivables – net	50,393,764	52,601,878
Less: non-current portion		
Other receivables (note (b)(i))	(33,045)	(26,553)
Current portion	50,360,719	52,575,325

15. DEBTORS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes:

- (a) Trade debtors mainly arise from sales of properties and property management. Proceeds receivable in respect of the sales of properties are settled in accordance with the terms stipulated in the sale and purchase agreements. Rental income from lease of properties are generally receivable in accordance with the terms of the relevant agreements. The ageing analysis of trade debtors based on contractual terms as at the respective reporting dates is as follows:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Within 90 days	1,096,918	1,115,564
Over 90 days but within 180 days	243,191	368,899
Over 180 days but within 270 days	179,074	118,131
Over 271 days but within 365 days	92,317	100,572
Over 365 days	545,299	358,276
	2,156,799	2,061,442
Less: allowance for impairment (note (d))	(172,695)	(126,118)
	1,984,104	1,935,324

The Group has applied the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 30 June 2023, a provision of RMB172,695,000 (unaudited) (31 December 2022: RMB126,118,000 (audited)) was made against the gross amount of trade debtors.

Generally, no credit terms were granted to the customers of residential properties. There is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers.

15. DEBTORS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

(b) Details of deposits and other receivables are as follows:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Other receivables (note (i))	12,351,082	12,811,418
Other deposits (note (ii))	1,814,855	1,913,621
Amounts due from associates (note (iii))	13,516,682	15,021,916
Amounts due from joint ventures (note (iii))	15,264,439	15,767,845
Amount due from non-controlling interest of a subsidiary, net of direct written-off (note (iii))	2,949,538	4,250,548
	45,896,596	49,765,348
Less: allowance for impairment (note (d))	(2,705,896)	(3,127,411)
Deposits and other receivables – net	43,190,700	46,637,937

(i) Deposits and other receivables mainly included deposits, interest receivables, amounts to be refunded by the government in relation to the land acquisition in the PRC, amounts due from former subsidiaries in relation to disposals of subsidiaries in current period and prior years, payments to independent third parties for the purpose of securing and acquiring possible new property development projects, loan advances to third parties and other miscellaneous receivables. Included in other receivables, those which are repayable over 1 year amounting to RMB33,045,000 (unaudited) (31 December 2022: RMB26,553,000 (audited)) are classified as non-current assets as at 30 June 2023.

(ii) Details of other deposits are as follows:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Deposit paid for acquisitions of land use rights for property development	155,200	155,200
Refundable deposit to redevelopment project partner	1,072,539	1,061,812
Others	587,116	696,609
	1,814,855	1,913,621

(iii) The amounts are unsecured, interest free, repayable on demand and expected to be recovered within 12 months from the reporting date and is therefore classified as current assets.

The carrying amounts of the Group's receivables are mainly denominated in RMB and USD.

15. DEBTORS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Notes: *(continued)*

- (c) Prepayments mainly represented prepayments of purchase of construction of materials and services.
- (d) 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 amount 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 as follows:

	Trade debtors RMB'000 (note a)	Deposits and other receivables (excluding prepayments and prepaid other taxes) RMB'000 (note b)	Total RMB'000
Six months ended 30 June 2023			
Opening loss allowance as at 1 January 2023 (audited)	126,118	3,127,411	3,253,529
Provision for loss allowance recognised in profit or loss during the period	46,577	352,809	399,386
Reversal for loss allowance recognised in profit or loss during the period	-	(774,324)	(774,324)
Closing loss allowance as at 30 June 2023 (unaudited)	172,695	2,705,896	2,878,591
Six months ended 30 June 2022			
Opening loss allowance as at 1 January 2022 (audited)	121,446	2,652,862	2,774,308
Provision for loss allowance recognised in profit or loss during the period	25,528	773,324	798,852
Written-off	(1,538)	-	(1,538)
Closing loss allowance as at 30 June 2022 (unaudited)	145,436	3,426,186	3,571,622

The provision for loss allowance and direct written-off with total amount RMB605,305,000 (2022: RMB801,167,000) were recognised for the six months ended 30 June 2023.

- (e) As at 30 June 2023, the gross carrying amount of debtors, deposits and other receivables (excluding prepayments and prepaid other taxes) was RMB48,053,395,000 (unaudited) (31 December 2022: RMB51,826,790,000 (audited)) and thus the maximum exposure to loss was RMB48,053,395,000 (unaudited) (31 December 2022: RMB51,826,790,000 (audited)).

16. GOODWILL AND INTANGIBLE ASSETS

	Unaudited				
	Goodwill (note a) RMB'000	Trademarks and patent RMB'000	Customer relationship RMB'000	Other RMB'000	Total RMB'000
Six months ended 30 June 2023					
Net carrying amount as at 1 January 2023 (audited)	765,349	172,302	36,880	453	974,984
Additions	-	-	-	4,899	4,899
Amortisation expensed in administrative expenses (note 5)	-	(12,074)	(5,161)	(851)	(18,086)
Net carrying amount as at 30 June 2023 (unaudited)	765,349	160,228	31,719	4,501	961,797

	Unaudited				
	Goodwill (note a) RMB'000	Trademarks and patent RMB'000	Customer relationship RMB'000	Other RMB'000	Total RMB'000
Six months ended 30 June 2022					
Net carrying amount as at 1 January 2022 (audited)	765,349	196,173	47,202	-	1,008,724
Amortisation expensed in administrative expenses (note 5)	-	(12,046)	(5,161)	-	(17,207)
Net carrying amount as at 30 June 2022 (unaudited)	765,349	184,127	42,041	-	991,517

16. GOODWILL AND INTANGIBLE ASSETS *(continued)*

Notes:

- (a) The Group's goodwill mainly arose from business combinations in connection with the acquisitions of (i) Shenzhen Qijia Internet Technology Co. Ltd.*, (ii) Shanghai Yitao Sports Culture Communication Co. Ltd.* and its subsidiary, (iii) Qinghai Pharmaceutical Co., Ltd.*, (iv) Jiaying Dashu Property Management Company Limited* and its subsidiaries, (v) Jiangsu Hengyuan Property Management Company Limited* and its subsidiary, (vi) Ningbo Langtong Property Service Company Limited*, (vii) Kaisa Capital Investment Holdings Limited and its subsidiaries, (viii) Zhejiang Ruiyuan Property Management Co., Ltd. and (ix) Basic Dental Implant Systems, Inc.

* The English translation of the name of the companies established in the PRC is for reference only. The official name of these companies are in Chinese.

17. RESTRICTED BANK BALANCES AND CASH/CASH AND BANK BALANCES

Restricted bank balances and cash, cash and bank balances are denominated in the following currencies:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
RMB	4,199,566	5,262,418
Hong Kong dollars	263,081	439,837
United States dollars	49,406	78,267
Euro	-	527
	4,512,053	5,781,049

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

18. PROPERTIES UNDER DEVELOPMENT

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Properties under development	86,987,697	93,136,137
Less: Provisions for properties under development	(1,412,430)	(1,264,285)
	85,575,267	91,871,852

The properties under development were located in the PRC and Hong Kong (31 December 2022: PRC and Hong Kong) and are stated at cost.

19. LEASE LIABILITIES

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Total minimum lease payments:		
Due within one year	152,351	152,351
Due in the second to fifth years	355,779	345,779
Due after the fifth years	236,585	226,585
	744,715	724,715
Future finance charges on lease liabilities	(150,274)	(129,593)
	594,441	595,122
Present value of lease liabilities		
Present value of minimum lease payments:		
Due within one year	138,674	127,418
Due in the second to fifth years	234,822	261,426
Due after the fifth years	220,945	206,278
	594,441	595,122
Less:		
Portion due within one year included under current liabilities	(138,674)	(127,418)
	455,767	467,704
Portion due after one year included under non-current liabilities		

20. BORROWINGS

	Notes	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Borrowings included in current liabilities:			
Senior Notes	(a)	84,522,232	81,642,282
Bank borrowings – secured	(b)	4,070,095	4,305,664
Bank borrowings – unsecured	(b)	3,944,744	3,127,155
Other borrowings – secured	(b)	10,734,619	6,564,133
Other borrowings – unsecured	(b)	14,518,102	14,144,399
Loan from a related company	(c)	108,781	108,781
		117,898,573	109,892,414
Borrowings included in non-current liabilities:			
Bank borrowings – secured	(b)	8,982,276	9,340,897
Bank borrowings – unsecured	(b)	2,722,500	3,789,520
Other borrowings – secured	(b)	7,445,207	10,795,118
Other borrowings – unsecured	(b)	414,900	350,000
Loan from the controlling shareholder of the Company	(d)	115,000	–
		19,679,883	24,275,535
Total borrowings		137,578,456	134,167,949

20. BORROWINGS *(continued)*

Notes:

(a) Senior notes

	Audited 31 December 2022 RMB'000	New issuance RMB'000	Repurchase/ redemption RMB'000	Unaudited 30 June 2023 RMB'000
Par value				
2021 6.5% Notes – tranche I (US\$'000)	250,000	–	–	250,000
2021 6.5% Notes – tranche II (US\$'000)	150,000	–	–	150,000
2022 8.5% Notes (US\$'000)	1,147,000	–	–	1,147,000
2022 11.25% Notes – tranche I (US\$'000)	350,000	–	–	350,000
2022 11.25% Notes – tranche II (US\$'000)	200,000	–	–	200,000
2022 11.95% Notes – tranche I (US\$'000)	400,000	–	–	400,000
2022 11.95% Notes – tranche II (US\$'000)	200,000	–	–	200,000
2022 6.6% Notes (US\$'000)	110,000	–	–	110,000
2022 8.65% Notes (US\$'000)	300,000	–	–	300,000
2022 10.5% Notes (US\$'000)	300,000	–	–	300,000
2023 9.75% Notes – tranche I (US\$'000)	400,000	–	–	400,000
2023 9.75% Notes – tranche II (US\$'000)	100,000	–	–	100,000
2023 9.75% Notes – tranche III (US\$'000)	200,000	–	–	200,000
2023 9.75% Notes – tranche IV (US\$'000)	280,000	–	–	280,000
2023 10.875% Notes – tranche I (US\$'000)	300,000	–	–	300,000
2023 10.875% Notes – tranche II (US\$'000)	150,000	–	–	150,000
2023 10.875% Notes – tranche III (US\$'000)	300,000	–	–	300,000
2023 11.5% Notes – tranche I (US\$'000)	400,000	–	–	400,000
2023 11.5% Notes – tranche II (US\$'000)	300,000	–	–	300,000
2023 11.95% Notes – tranche I (US\$'000)	300,000	–	–	300,000
2023 11.95% Notes – tranche II (US\$'000)	200,000	–	–	200,000
2024 9.375% Notes (US\$'000)	2,247,453	–	–	2,247,453
2025 9.95% Notes – tranche I (US\$'000)	300,000	–	–	300,000
2025 9.95% Notes – tranche II (US\$'000)	200,000	–	–	200,000
2025 10.5% Notes (US\$'000)	500,000	–	–	500,000
2025 11.25% Notes – tranche I (US\$'000)	300,000	–	–	300,000
2025 11.25% Notes – tranche II (US\$'000)	400,000	–	–	400,000
2025 11.7% Notes (US\$'000)	1,000,022	–	–	1,000,022
2026 11.65% Notes (US\$'000)	300,000	–	–	300,000
Total (US\$'000)	11,584,475	–	–	11,584,475
Amortised cost (US\$'000)	11,722,466			11,697,284
Total Amortised cost (RMB\$'000)	81,642,282			84,522,232

20. BORROWINGS (continued)

Notes: (continued)

(a) Senior notes (continued)

During the six months ended 30 June 2023, no Senior Notes have been issued, repurchased or redeemed.

The 2021 6.5% Notes tranche I & II were matured on 7 December 2021, the 2022 6.6% Notes were matured on 4 February 2022, the 2022 11.25% Notes – tranche I & II were matured on 9 April 2022, the 2022 8.5% Notes were matured on 30 June 2022, the 2022 8.65% Notes were matured on 22 July 2022, the 2022 10.5% Notes were matured on 7 September 2022, the 2022 11.95% Notes – tranche I & II were matured on 22 October 2022 and the 2023 11.5% Notes – tranche I & II were matured on 30 January 2023. The Group did not pay the principal and accrued unpaid interest on the maturity date.

Due to the cross-default terms and conditions set out in the relevant Senior Notes agreements, all of the outstanding Senior Notes have been classified as current liabilities as at 30 June 2023 and 31 December 2022.

The major terms and conditions of the senior notes include redemption at the option of the Company and the repurchase of the senior notes upon a change of control. The estimated fair value of the embedded derivative of the early redemption and repurchase rights are insignificant to recognise at initial recognition.

The weighted average effective interest rate of the above senior notes is 10.4% (31 December 2022: 10.4%) per annum.

All of above senior notes are listed on the Singapore Exchange Securities Trading Limited, except the 2023 6.6% Notes.

The above 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.

The movement of the senior notes for the six months ended 30 June 2023 and 2022 is as follow:

	2023 RMB'000	2022 RMB'000
Carrying amount as at 1 January (audited)	81,642,282	74,883,812
Accrued interests (note 7)	4,216,531	3,751,846
Interests payable (included in other payables)	(4,394,031)	(3,776,816)
Exchange differences	3,057,450	3,942,166
Carrying amount as at 30 June (unaudited)	84,522,232	78,801,008
Less: current portion included in current liabilities	(84,522,232)	(78,801,008)
Included in non-current liabilities	–	–

20. BORROWINGS *(continued)*

Notes: *(continued)*

(b) Bank and other borrowings

The Group's bank and other borrowings of RMB31,232,197,000 (unaudited) (31 December 2022: RMB31,919,866,000 (audited)) were jointly secured by certain properties, investment properties, land use rights, properties under development, completed properties held for sales of the Group and certain shares of Group's subsidiaries and associates.

The pledged assets for the Group's bank and other borrowings are as follows:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Property, plant and equipment	1,941,093	1,962,923
Investment properties	9,328,400	9,452,400
Land use rights	208,767	208,832
Properties under development	68,512,464	74,635,713
Completed properties held for sale	8,419,548	8,587,295
Restricted bank balance and cash	226,193	276,439
	88,636,465	95,123,602

Certain bank and other borrowings of the Group are guaranteed by certain subsidiaries of the Group:

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Group companies		
– Guaranteed and secured by the Group's assets	30,722,331	26,799,953
– Guaranteed by the Company	22,986,840	23,709,078
	53,709,171	50,509,031

(c) Loan from a related company

The amount is unsecured, carries interest at 12% (31 December 2022: 12%) per annum. The related company is controlled by a substantial shareholder of the Company.

(d) Loan from the controlling shareholder of the Company

The amount is unsecured, carries interest at 5% per annum and repayable in 2025.

21. OTHER PAYABLES

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Other payables and accruals (note (a))	6,130,355	7,289,169
Accrued interest	21,384,975	15,133,802
Accrued staff costs	113,611	103,392
Consideration payables related to acquisitions of subsidiaries	100,667	160,681
Consideration payables related to acquisitions of associate and joint ventures	598,180	598,180
Deed tax and other taxes payables	2,895,851	2,130,026
Deposits received	867,660	937,001
Provision for financial guarantee contracts	2,133,467	254,194
Amounts due to associates (note (b))	2,569,036	1,796,207
Amounts due to joint ventures (note (b))	310,764	1,004,544
Amounts due to non-controlling interests of subsidiaries (note (b))	704,485	702,883
	37,809,051	30,110,079
Less: non-current portion		
Consideration payables related to acquisition of a subsidiary	(3,954)	(18,548)
	37,805,097	30,091,531

Notes:

- (a) Other payables and accruals mainly included deposits received from construction companies, accrued operating expenses, advances from third parties for operations, amounts due to former shareholders in relation to acquired subsidiaries which are interest-free, unsecured and repayable on demand, payables of cooperation parties and amounts due to former subsidiaries in relation to disposals of subsidiaries in current period and prior years.
- (b) The amounts due are unsecured, interest-free and repayable on demand.
- (c) The carrying amounts of other payables are denominated in RMB and approximate to their fair value.

22. SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares HK\$'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000	Total RMB'000
Six months ended 30 June 2023					
Balance as at 1 January 2023 (audited)					
and as at 30 June 2023 (unaudited)	7,015,468,487	701,547	613,530	6,376,801	6,990,331
Six months ended 30 June 2022					
Balance as at 1 January 2022 (audited)					
and as at 30 June 2022 (unaudited)	7,015,468,487	701,547	613,530	6,376,801	6,990,331

23. PERPETUAL CAPITAL SECURITIES

On 30 September 2020, the Company (the "Issuer") 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 semi-annually 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, at the Company's option on 30 September 2023, 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.

In respect of the distribution payment on perpetual capital securities on 30 March 2022 and 30 September 2022, the Group did not pay.

The Company has sent the Optional Deferral Notice dated 15 March 2023 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.

24. RESERVES

	Unaudited						
	Merger reserve RMB'000 (note a)	Exchange reserve RMB'000	Statutory reserve RMB'000 (note b)	Share option reserve RMB'000 (noted c)	Capital reserve RMB'000 (note d)	Retained earnings RMB'000	Total RMB'000
Balance at 1 January 2023 (audited)	382	1,702	1,025,629	376,690	(158,477)	(1,723,474)	(477,548)
Loss for the period	-	-	-	-	-	(6,973,892)	(6,973,892)
Other comprehensive income for the period	-	16,877	-	-	-	(2,602)	14,275
Total comprehensive income/(expense) for the period	-	16,877	-	-	-	(6,976,494)	(6,959,617)
Share-based payments	-	-	-	4,071	-	-	4,071
Share options lapsed	-	-	-	(203,242)	-	203,242	-
Balance as at 30 June 2023 (unaudited)	382	18,579	1,025,629	177,519	(158,477)	(8,496,726)	(7,433,094)
Balance at 1 January 2022 (audited)	382	(13,557)	1,025,629	397,445	(158,477)	11,439,251	12,690,673
Loss for the period	-	-	-	-	-	(7,742,266)	(7,742,266)
Other comprehensive income for the period	-	15,399	-	-	-	3	15,402
Total comprehensive income/(expense) for the period	-	15,399	-	-	-	(7,742,263)	(7,726,864)
Share-based payments	-	-	-	10,658	-	-	10,658
Share options lapsed	-	-	-	(35,346)	-	35,346	-
Balance as at 30 June 2022 (unaudited)	382	1,842	1,025,629	372,757	(158,477)	3,732,334	4,974,467

24. RESERVES *(continued)*

Notes:

- (a) The merger reserve of the Group represents the difference between the nominal value of the share capital and share premium of the subsidiaries acquired 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) 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 setting 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 are 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.

- (c) Share option reserve represents value of employee services in respect of share options granted under the Share Option Scheme (note 28).
- (d) 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.

25. FINANCIAL GUARANTEES CONTRACTS

- (i) 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 RMB16,529,241,000 as at 30 June 2023 (31 December 2022: RMB23,061,457,000). 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 in case of 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 condensed consolidated financial statements for the guarantees.

- (ii) As of 30 June 2023, 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 RMB22,677,972,000 (31 December 2022: RMB23,787,493,000).

26. COMMITMENTS

(a) Commitments for acquisitions of property development expenditures, subsidiaries and a joint venture

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Contracted but not provided for		
– Acquisitions of land use rights and property development activities	15,970,292	15,476,892
– Acquisitions of subsidiaries (note)	13,000,000	13,000,000
	28,970,292	28,476,892

Note:

On 25 March 2021, the Company entered into agreement with Acme Victory Investments Limited, Ascending Power Investments Limited and Beijing Chengyi Haotai Investment Management Co., Ltd. as vendors and Mr. Kwok Ying Shing as guarantor in relation to the acquisitions of Hong Da Development & Investment Holding Co., Ltd., Logic Capital Limited and Beijing Yaohui Real Estate Co., Ltd. at a consideration of RMB13,000,000,000 in cash. The transaction was approved by the shareholders of the Company in the extraordinary general meeting 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) Operating lease commitments

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

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Not later than one year	302	365

As at 30 June 2023, the Group leases staff quarters, offices and items of office equipment with a lease period of twelve months, which are qualified to be accounted for under short-term lease and lease of low-value assets exemption under HKFRS 16.

26. COMMITMENTS *(continued)*

(c) Operating lease rentals receivable

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

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Within one year	169,501	191,992
After one year and within two years	169,004	162,359
After two years and within three years	134,252	136,148
After three years and within four years	110,081	114,643
After four years and within five years	83,938	76,433
After five years	178,853	193,946
	845,629	875,521

The Group leases its investment properties (note 11) under operating lease arrangements which run for an initial period of one to twenty (unaudited) (31 December 2022: one to twenty (audited)) 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.

27. DISPOSALS OF SUBSIDIARIES

During the six months ended 30 June 2023, the Group entered into agreements with certain independent third parties to dispose of all the interests in certain subsidiaries. These subsidiaries were engaged in property development and healthcare operations.

The following table summarises the aggregate net assets of the subsidiaries disposed of during the current period and the financial impacts are summarised as follows:

	RMB'000
Property, plant and equipment	2,550
Right-of-use assets	5,017
Land use rights	3,328
Inventories	140
Properties under development	168,491
Completed properties held-for-sale	32,889
Debtors, deposits and other receivables	187,241
Prepayment for proposed development projects	13,500
Prepaid tax	172,009
Cash and bank balances	6,259
Accrued construction costs	(64,965)
Other payables and contract liabilities	(411,243)
Lease liabilities	(12,741)
Income tax payable	(335)
	<hr/>
Total net assets	102,140
Less: non-controlling interests	(83,384)
	<hr/>
	18,756
Net gain on disposals of subsidiaries	17,804
	<hr/>
Total consideration	36,560
	<hr/>
Satisfied by:	
Cash	100
Other receivables	5,100
Financial assets at FVTPL	31,360
	<hr/>
	36,560
	<hr/>
Net cash outflow in respect of disposals of subsidiaries	
Cash received	100
Cash and bank balances disposals of	(6,259)
	<hr/>
	(6,159)
	<hr/>

28. SHARE OPTION

(a) Share Option Scheme of the Company

Pursuant to the shareholders' resolution passed on 22 November 2009, a post-IPO share option scheme (the "Share Option Scheme") was conditionally adopted. Pursuant to the terms of the 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 maximum number of shares which may be issued upon exercise of all options (the "Share Option") granted and yet to be exercised under the 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 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 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; and (iii) the nominal value of a share of the Company.

Details of the movement of the share options under Share Option Scheme of the Company are as follows:

	2023		2022	
	Weighted average exercise price in HK\$ per share	Number	Weighted average exercise price in HK\$ per share	Number
At 1 January (audited)	3.413	245,872,514	3.209	291,076,614
Cancelled/lapsed during the period	3.322	(87,291,711)	2.097	(45,204,100)
At 30 June (unaudited)	3.463	158,580,803	3.413	245,872,514

As at 30 June 2023, 158,580,803 (unaudited) (30 June 2022: 222,746,145 (unaudited)) outstanding options granted under the Share Option Scheme were exercisable (note).

28. SHARE OPTION *(continued)*

(a) Share Option Scheme of the Company *(continued)*

Note: Terms of share options at the reporting date were as follows:

Exercised period	Vesting period	Exercise prices per share HK\$	Number of share options	
			30 June 2023	30 June 2022
19/7/2018-18/7/2027	19/7/2017-18/7/2018	3.440*/3.550	24,871,170	38,199,804
19/7/2019-18/7/2027	19/7/2017-18/7/2019	3.440*/3.550	24,819,551	38,148,185
19/7/2020-18/7/2027	19/7/2017-18/7/2020	3.440*/3.550	25,284,144	38,612,778
19/7/2021-18/7/2027	19/7/2017-18/7/2021	3.440*/3.550	56,762,833	83,420,100
24/1/2020-23/1/2029	24/1/2019-23/1/2020	2.310*/2.380	-	2,064,854
24/1/2021-23/1/2029	24/1/2019-23/1/2021	2.310*/2.380	-	2,064,854
24/1/2022-23/1/2029	24/1/2019-23/1/2022	2.310*/2.380	-	2,064,854
24/1/2023-23/1/2029	24/1/2019-23/1/2023	2.310*/2.380	-	4,129,709
12/4/2020-11/4/2029	12/4/2019-11/4/2020	3.580*/3.700	5,368,621	5,368,621
12/4/2021-11/4/2029	12/4/2019-11/4/2021	3.580*/3.700	5,368,621	5,368,621
12/4/2022-11/4/2029	12/4/2019-11/4/2022	3.580*/3.700	5,368,621	5,368,621
12/4/2023-11/4/2029	12/4/2019-11/4/2023	3.580*/3.700	10,737,242	10,737,242
4/11/2021-4/11/2030	4/11/2020-3/11/2021	3.580*/3.690	-	2,064,854
4/11/2022-4/11/2030	4/11/2020-3/11/2022	3.580*/3.690	-	2,064,854
4/11/2023-4/11/2030	4/11/2020-3/11/2023	3.580*/3.690	-	2,064,854
4/11/2024-4/11/2030	4/11/2020-3/11/2024	3.580*/3.690	-	4,129,709
			158,580,803	245,872,514

* The number of options and exercise price was adjusted upon the completion of Rights Issue on 8 May 2021.

28. SHARE OPTION *(continued)*

(a) Share Option Scheme of the Company *(continued)*

On 19 July 2017, the Company offered to grant to the directors of the Company and certain employees of the Company and its subsidiaries (the “**July 2017 Grant**”) of 64,000,000 and 250,300,000 share options respectively, of HK\$0.1 each in the capital of the Company. The Company further granted a director of the Company (the “**September 2017 Grant**”) and (the “**November 2017 Grant**”) of 20,000,000 and 28,000,000 shares options on 22 September 2017 and 29 November 2017 respectively of HK\$0.1 each in the capital of the Company.

On 24 January 2019, the Company offered to grant to certain employees of the Company and its subsidiaries (the “**January 2019 Grant**”) of 18,000,000 share options of HK\$0.1 each in the capital of the Company. The Company further granted certain employees of the Company and its subsidiaries (the “**April 2019 Grant**”) of 34,000,000 share options on 12 April 2019 of HK\$0.1 each in the capital of the Company.

On 4 November 2020, the Company offered to grant to an employee of the Company and its subsidiaries (the “**November 2020 Grant**”) of 10,000,000 share options of HK\$0.10 each in the capital of the Company.

	July 2010 Grant	June 2012 Grant	July 2017 Grant	January 2019 Grant	April 2019 Grant	November 2020 Grant
Fair value under binomial model (HK\$'000)	142,362	198,688	543,168	17,677	51,857	13,298
Closing share price at grant date (HK\$)	1.71	1.39	3.55	2.37	3.69	3.68
Exercise price (HK\$)	2.00	1.50	3.55	2.38	3.70	3.69
Annual risk free interest rate	2.29%	1.04%	2.05%	2.49%	2.26%	0.91%
Expected volatility	40%	44%	42%	45%	46%	46%
Expected option life	10 years	10 years	10 years	10 years	10 years	10 years
Expected dividend yield	Nil	Nil	Nil	2.5%	2.5%	3.46%

28. SHARE OPTION *(continued)*

(a) Share Option Scheme of the Company *(continued)*

The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

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.

The Group recognised a share option expense of approximately RMB4,071,000 (unaudited) (Six months ended 30 June 2022: RMB10,658,000 (unaudited)) during the six months ended 30 June 2023.

(b) Share Option Scheme of Kaisa Prosperity

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.

28. SHARE OPTION *(continued)*

(b) Share Option Scheme of Kaisa Prosperity *(continued)*

Details of the movement of the share options under Kaisa Prosperity Scheme are as follows:

	2023		2022	
	Weighted average exercise price in HK\$ per share	Number	Weighted average exercise price in HK\$ per share	Number
At 1 January (audited)	15.7	9,470,000	15.70	10,050,000
Forfeited during the period	15.7	(80,000)	–	–
As at 30 June (unaudited)	15.7	9,390,000	15.70	10,050,000

On 19 July 2019, the Company 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\$0.1 each in the capital of the Company. The closing price of the shares immediately before the date of grant was HK\$15.36. The 8,700,000 share options granted to the employees and 2,750,000 share options granted to the directors of the Company have a fair value under the binomial model of approximately HK\$62,564,000 and HK\$22,241,000, respectively. The valuations were based on the Binomial Option Pricing Model with the following data and assumptions:

	July 2020 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 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. Expected dividend yield are based on historical data.

In total, RMB1,090,000 of employee compensation expense (unaudited) been recognised in profit or loss for the six months ended 30 June 2023 (30 June 2022: RMB4,647,000) (unaudited) and the corresponding amount of which has been credited to “Share option reserve”. No liabilities were recognised for the share-based payment transactions.

28. SHARE OPTION *(continued)*

(b) Share Option Scheme of Kaisa Prosperity *(continued)*

As at 30 June 2023, 5,970,000 (unaudited) of the outstanding options granted under the share option scheme were exercisable (30 June 2022: 4,020,000 (unaudited)).

Note:

Terms of share options at the reporting date were as follows:

Exercise period	Exercise price per share HK\$	Number of share options as at 30 June 2023	Exercise price per share HK\$	Number of share options as at 30 June 2022
19/7/2020-18/7/2029	15.70	2,010,000	15.70	2,010,000
19/7/2021-18/7/2029	15.70	2,010,000	15.70	2,010,000
19/7/2022-18/7/2029	15.70	1,950,000	15.70	2,010,000
19/7/2023-18/7/2029	15.70	3,420,000	15.70	4,020,000
		9,390,000		10,050,000

(c) Share Option Scheme of Kaisa Health Group Holdings Limited (“Kaisa Health Group”)

Kaisa Health Group approved and adopted a share option scheme for eligible participant which includes any full-time or part-time employees, 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.

Details of specific categories of options are as follows:

Option type	Date of grant	Vesting period	Exercisable period	Exercise price
2016	12/9/2016	12/9/2016-15/6/2021	12/9/2017-11/9/2022	HK\$0.400
2020	22/7/2020(note)	22/7/2020-21/7/2023	22/7/2021-21/7/2030	HK\$0.196

Note: Share options subject to approval of independent shareholders was proposed and granted by board of directors on 22 July 2020.

28. SHARE OPTION *(continued)*

(c) Share Option Scheme of Kaisa Health Group Holdings Limited (“Kaisa Health Group”) *(continued)*

A summary of the movements of the number of share options under the Kaisa Health Group’s Scheme during the period for the six months ended 30 June 2023 and 2022 is as follows:

Type of participant	Option Type	Outstanding at 1 January 2023 (Audited)	Forfeited during the period (Unaudited)	Outstanding at 30 June 2023 (Unaudited)	Outstanding at 1 January 2022 (Audited)	Forfeited during the period (Unaudited)	Outstanding at 30 June 2022 (Unaudited)
Mr. Wu Tianyu	2016	-	-	-	38,000,000	-	38,000,000
Ms. Jiang Sisi	2016	-	-	-	38,000,000	-	38,000,000
Employees	2016	-	-	-	8,200,000	-	8,200,000
Mr. Zhang Huagang	2020	50,000,000	-	50,000,000	50,000,000	-	50,000,000
Mr. Luo Jun	2020	40,000,000	-	40,000,000	40,000,000	-	40,000,000
Mr. Wu Tianyu	2020	20,000,000	-	20,000,000	20,000,000	-	20,000,000
Dr. Liu Yanwen	2020	6,000,000	-	6,000,000	6,000,000	-	6,000,000
Dr. Lyu Aiping	2020	6,000,000	-	6,000,000	6,000,000	-	6,000,000
Ms. Jiang Sisi	2020	10,000,000	-	10,000,000	10,000,000	-	10,000,000
Employee	2020	10,000,000	-	10,000,000	10,000,000	-	10,000,000
		142,000,000	-	142,000,000	226,200,000	-	226,200,000
Exercisable at the end of the period		100,000,000		100,000,000	141,600,000		141,600,000
Weighted average exercise price		HK\$0.196		HK\$0.196	HK\$0.272	Nil	HK\$0.272

In the opinion of the directors, the fair value of the services received from consultants cannot be estimated reliably, the equity-settled share-based payment transactions with consultants are measured at the fair value of the equity instruments granted.

29. RELATED PARTY TRANSACTIONS

Other than those disclosed elsewhere in these condensed consolidated interim financial statements during the period, the Group had the following transactions with its related parties:

(a) Key management compensation

Key management of the Group are members of the board of directors, as well as members of the “management board” of the Company. Key management personnel remuneration includes the following expenses:

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Directors' fees	404	375
Salaries and other short-term employee benefits	30,262	57,842
Discretionary bonuses	68	–
Retirement scheme contributions	386	557
Share-based payments	1,408	3,257
	32,528	62,031

(b) Related parties transactions

	Unaudited Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Rental expenses to the controlling shareholder of the Company (note (i))	570	570
Rental expenses to a joint venture	2,999	454
Rental expenses to an associate	63	–
Rental income from joint ventures	1,754	3,898
Rental income from an associate	–	50
Management fees from joint ventures	750	6,381
Advisory fees from an associate	–	13,109
Advisory fees from joint ventures	–	22,739
Service income from joint ventures	48,994	59,284
Service income from an associate	15,208	19,946
Staff cost to joint ventures	247	488
Other selling expense to a joint venture	4,485	2,537
Other revenue from an associate	3,582	10,267
Other revenue from a joint venture	13,409	26,462
Material income from joint ventures	–	41
Material income from an associate	–	43

Notes:

- (i) This represents payment of rental expenses for various office premises to the controlling shareholder of the Company, Mr. Kwok Ying Shing. The rental expenses paid during the period was determined at prevailing market rate of respective office premises.

29. RELATED PARTY TRANSACTIONS *(continued)*

(c) Balances with related parties

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Loan from a related company (note 20(d))	(108,781)	(108,781)
Trade receivables from associates, net of ECL	156,058	192,740
Trade receivables from joint ventures, net of ECL	359,784	510,176
Amounts due from associates, net of ECL (note 15)	13,350,427	14,837,146
Amounts due from joint ventures, net of ECL (note 15)	15,076,686	15,573,901
Amounts due to associates (note 21)	(2,569,036)	(1,796,207)
Amounts due to joint ventures (note 21)	(310,764)	(1,004,544)
Loan from the controlling shareholder of the Company	(115,000)	-
Interest payable to a related company – included in accrued interest in other payables	(235,535)	(235,535)

(d) Financial guarantees to joint ventures and associates

	Unaudited 30 June 2023 RMB'000	Audited 31 December 2022 RMB'000
Joint ventures and associates	20,827,448	23,787,493

30. EVENTS AFTER REPORTING PERIOD

On 10 July 2023, the Company received a winding-up petition (the "**Petition**") dated 6 July 2023 which was filed by Broad Peak Investment Pte. Advisers Ltd. (the "**Petitioner**") at the High Court of the Hong Kong Special Administrative Region (the "**High Court**") against the Company in relation to the non-payment of certain RMB denominated corporate bonds issued by Kaisa Group (Shenzhen) Co., Ltd. (the "**Issuer**") in the principal amount of RMB170 million and accrued interests. The Issuer is a wholly-owned subsidiary of the Company.

The Company will oppose the Petition and take all necessary actions to protect its legal rights.

The filing of the Petition does not represent the successful winding up of the Company by the Petitioner. No winding-up order has been granted by the High Court to wind up the Company as at the date of this report. The High Court has set the first hearing date for the Petition on 13 September 2023.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. The Board is of the view that, for the six months ended 30 June 2023, the Company complied with the code provisions on the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

AUDIT COMMITTEE

The Audit Committee assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee comprise the non-executive director and the independent non-executive directors of the Company, namely Ms. CHEN Shaohuan, Mr. RAO Yong and Mr. ZHANG Yizhao. Mr. RAO Yong is the Chairman of the Audit Committee. The Audit Committee has reviewed the Group's unaudited interim results for the six months ended 30 June 2023.

REVIEW OF INTERIM RESULTS

The independent auditor of the Company, Elite Partners CPA Limited, has reviewed the unaudited interim results for the six months ended 30 June 2023 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted the Model Code as set out in Appendix 10 to the Listing Rules as the standard for securities transactions by the Directors. The Company has made specific enquiries of all the Directors and all the Directors confirmed that they have complied with the required standards set out in the Model Code during the six months ended 30 June 2023.

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

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

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the six months ended 30 June 2023 (2022: nil).