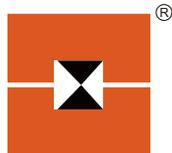


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



KAISA GROUP HOLDINGS LTD.

佳兆業集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1638)

DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF 30.1210% EFFECTIVE INTEREST OF THE PROJECT COMPANY

THE TRANSACTION

On 18 March 2026, the Vendor, a wholly-owned subsidiary of the Company (as vendor) and Kaisa Health, a subsidiary of the Company (as purchaser) entered into the Agreement pursuant to which the Vendor conditionally agreed to sell, and Kaisa Health conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company, for the Consideration in the amount of RMB21,603,729 (equivalent to approximately HK\$24,412,214), which will be fully satisfied by, assuming the Share Consolidation having taken effect, the allotment and issue of 2,789,967 Consideration Shares at the issue price of HK\$8.75 per Consideration Share by Kaisa Health to the Vendor upon Completion.

Assuming the Share Consolidation having taken effect, the 2,789,967 Consideration Shares represent: (i) approximately 2.77% of the existing issued share capital of Kaisa Health as at the date of this announcement; and (ii) approximately 2.69% of the issued share capital of Kaisa Health as enlarged by the allotment and issue of the Consideration Shares (in each case having taken into account the effect of the Share Consolidation and assuming no other change in the share capital of Kaisa Health).

As at the date of the Agreement, the Target Company holds the entire issued share capital of Sino Globe, which holds a 99% equity interest of Dongguan Chenghe, which in turn directly holds the entire issued share capital of Kaisa Healthcare Investment, which in turn directly holds a 54.84% equity interest of the Project Company. The Project Company is engaged in the research and development, manufacturing, and sale of pharmaceutical products (including anaesthetic products) in the PRC. The Project Company holds a pharmaceutical product manufacturing licence (藥品生產許可證) issued by the Qinghai Medical Products Administration (青海省藥品監督管理局), and has its own research and development and manufacturing facilities located in Xining City, Qinghai Province, the PRC with a total site area of approximately 76,000 sqm and a total gross floor area of approximately 43,890 sqm. In addition, the Project Company has established the Shanghai Research Institute in Shanghai, which specializes in the research and development of active pharmaceutical ingredients and formulations. These R&D investments are expected to facilitate further commercialization and enable leapfrog development in the coming years.

Each of the Target Holding Companies, comprising the Target Company, Sino Globe, Dongguan Chenghe and Kaisa Healthcare Investment is an investment holding company with no substantive business. The principal assets held by the Target Group are the Project Group, and the principal business of the Target Group is the Project Business.

Upon Completion, Kaisa Health will, through the Target Company, hold a 54.84% equity interest of the Project Company. Members of the Target Group (including for the avoidance of doubt, the Project Group) will become subsidiaries of Kaisa Health and accordingly, their financial results and positions will be consolidated into the consolidated financial statements of Kaisa Health.

As at the date of the Agreement, the Company is interested in approximately 42.99% of the total issued shares of Kaisa Health. Since November 2017, Kaisa Health has been accounted for as a subsidiary of the Company. Upon completion of the Transaction, the Company's interest in Kaisa Health will increase by approximately 1.53% to approximately 44.52%, and Kaisa Health will continue to be accounted for as a subsidiary of the Company. Upon completion of the Transaction, the Company will continue to hold, through Kaisa Health (a subsidiary of the Company), the Target Company, and the Target Company will continue to be accounted for as a subsidiary of the Company.

Therefore, the Company's effective shareholding interest in the Project Company as at the date of the Agreement is 54.2916% ($100\% \times 99\% \times 54.84\%$), and the Company's effective shareholding interest in the Project Company upon completion of the Transaction will be 24.1706% ($44.52\% \times 99\% \times 54.84\%$), resulting in a disposal of 30.1210% effective interest in the Project Company by the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceed 5% and all of such ratio(s) are less than 25%, the Transaction constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapters 14 of the Listing Rules.

As the Transaction is conditional upon fulfillment or waiver (where applicable) of a number of conditions precedent, the Transaction may or may not proceed, respectively. Shareholders and potential investors are urged to exercise extreme caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

THE TRANSACTION

On 18 March 2026, the Vendor, a wholly-owned subsidiary of the Company (as vendor) and Kaisa Health, a subsidiary of the Company, (as purchaser) and entered into the Agreement, the principal terms of which are set out below:

Subject matter

The Vendor, a wholly-owned subsidiary of the Company, conditionally agreed to sell, and Kaisa Health, a subsidiary of the Company, conditionally agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company, subject to the terms and conditions as set out in the Agreement.

As at the date of the Agreement, the Target Company holds the entire issued share capital of Sino Globe, which holds a 99% equity interest of Dongguan Chenghe, which in turn directly holds the entire issued share capital of Kaisa Healthcare Investment, which in turn directly holds a 54.84% equity interest of the Project Company. The Project Company operates the Project Business. Further details of the Project Group and the Project Business are set out in the section headed “**Information on the Target Group**” below.

The Consideration in the amount of RMB21,603,729 (equivalent to approximately HK\$24,412,214), which will be fully satisfied by the allotment and issue of Consideration Shares by Kaisa Health to the Vendor upon Completion.

Upon completion of the Transaction, the Company's interest in Kaisa Health will increase by approximately 1.53% to approximately 44.52%, and Kaisa Health will continue to be accounted for as a subsidiary of the Company. Upon completion of the Transaction, the Company will continue to hold, through Kaisa Health (a subsidiary of the Company), the Target Company, and the Target Company will continue to be accounted for as a subsidiary of the Company.

Therefore, the Company's effective shareholding interest in the Project Company as at the date of the Agreement is 54.2916% (100% x 99% x 54.84%), and the Company's effective shareholding interest in the Project Company upon completion of the Transaction will be 24.1706% (44.52% x 99% x 54.84%), resulting in a disposal of 30.1210% effective interest in the Project Company by the Company.

Consideration

The Consideration is RMB21,603,729 (equivalent to approximately HK\$24,412,214), which will be fully satisfied by:

- (i) assuming the Share Consolidation having taken effect, the allotment and issue of 2,789,967 Consideration Shares at the issue price of HK\$8.75 per Consideration Share by Kaisa Health to the Vendor upon Completion; and
- (ii) assuming the Share Consolidation not having taken effect, the allotment and issue of 139,498,364 Consideration Shares at the issue price of HK\$0.175 per Consideration Share by Kaisa Health to the Vendor upon Completion.

Basis for the determination of the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and Kaisa Health with reference to the market value of the 100% equity interest in the Target Company appraised by the Valuer as at 30 November 2025 (the "**Valuation Date**") of approximately RMB21,603,729.

Each of the Target Holding Companies is an investment holding company with no substantive business; the principal assets held by the Target Group are the Project Group, and the principal business of the Target Group is the Project Business. Therefore, the market value of the Target Company is calculated by adjusting the market value of the Project Group (which has been determined based on the income approach) with the assets and liabilities of the Target Holding Companies which are not related to the Project Group.

Details of the Valuation is set out in the section headed "Valuation" of this announcement.

Taking into consideration the above, the Directors (excluding Mr. Kwok, Mr. Liu Lihao and Ms. Luo Tingting, each an executive Director, and each of whom is an executive director of Kaisa Health) are of the view that the Consideration and the terms and conditions of the Transaction are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Consideration Shares

Upon Completion, Kaisa Health will allot and issue 2,789,967 Consideration Shares (assuming the Share Consolidation having taken effect), or 139,498,364 Consideration Shares (assuming the Share Consolidation not having taken effect) to the Vendor to settle the Consideration in full.

Assuming the Share Consolidation having taken effect, the 2,789,967 Consideration Shares represent: (i) approximately 2.77% of the existing issued share capital of Kaisa Health as at the date of this announcement; and (ii) approximately 2.69% of the issued share capital of Kaisa Health as enlarged by the allotment and issue of the Consideration Shares (in each case having taken into account the effect of the Share Consolidation and assuming no other change in the share capital of Kaisa Health).

Assuming the Share Consolidation not having taken effect, the 139,498,364 Consideration Shares represent: (i) approximately 2.77% of the existing issued share capital of Kaisa Health as at the date of this announcement; and approximately (ii) 2.69% of the issued share capital of Kaisa Health as enlarged by the allotment and issue of the Consideration Shares (assuming no other change in the share capital of Kaisa Health).

The Issue Price of HK\$8.75 per Consideration Share (assuming the Share Consolidation having taken effect) or HK\$0.175 per Consideration Share (assuming the Share Consolidation not having taken effect) was determined based on the average closing price of HK\$0.175 per Kaisa Health Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Agreement. The Issue Price was derived after arm's length negotiations between the Vendor and Kaisa Health with reference to the prevailing market prices of the Kaisa Health Shares, the recent fluctuations in the price of the Kaisa Health Shares and the recent market conditions.

The Issue Price (without taking into account the Share Consolidation) represents:

- (i) a discount of approximately 10.3% to the closing price of HK\$0.195 per Existing Share as quoted on the Stock Exchange on the date of the Agreement;
- (ii) the average closing price of HK\$0.175 per Existing Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreement;
- (iii) a discount of approximately 3.9% to the average closing price of HK\$0.1821 per Existing Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Agreement;
- (iv) a premium of approximately 107% to the audited net asset value per Existing Share of approximately HK\$0.0846 as at 31 December 2024, which is based on Kaisa Health's audited consolidated net asset value attributable to the Kaisa Health Shareholders of approximately HK\$426,491,000 as at 31 December 2024 and the 5,042,139,374 Existing Shares in issue as at the date of the Agreement; and

- (v) a premium of approximately 105% to the unaudited net asset value per Existing Share of approximately HK\$0.0855 as at 30 June 2025, which is based on Kaisa Health's unaudited consolidated net asset value attributable to the Kaisa Health Shareholders of approximately HK\$430,913,000 as at 30 June 2025 and the 5,042,139,374 Existing Shares in issue as at the date of the Agreement.

Conditions Precedent

Completion is conditional upon the satisfaction (or waiver) of the following conditions:

- (a) the Agreement and the transactions contemplated thereunder (including the allotment and issue of the Consideration Shares) having been approved by more than 50% of the votes cast by the independent Kaisa Health Shareholders at the Kaisa Health SGM;
- (b) the listing of, and permission to deal in, the Consideration Shares being granted by the Listing Committee;
- (c) the Share Consolidation and the Change in Board Lot Size having become effective;
- (d) all necessary waivers, consents, approvals, licences, authorizations, permits, orders and exemptions from the relevant governmental or regulatory authorities in connection with the Agreement and the transactions contemplated thereunder have been obtained (if necessary);
- (e) the Vendor having issued a written confirmation to Kaisa Health (in a form and content satisfactory to Kaisa Health) confirming that the Target Group has no other debts other than those disclosed in the Agreement;
- (f) the liabilities to be borne by Kaisa Healthcare Investment in relation to the loan dispute among Ruihong Real Estate as lender, Kaisa Shenzhen (a wholly-owned subsidiary of the Company) as borrower and Kaisa Healthcare Investment as guarantor being not more than RMB100 million (the "**Capped Liabilities**") and the Vendor having provided Kaisa Health relevant evidence of the Capped Liabilities in the form and substance satisfactory to Kaisa Health;
- (g) the warranties given by the Vendor being true and accurate in all material respects;
- (h) there being no discovery or knowledge of any unusual operations, major safety incidents, material adverse changes or undisclosed major risks in the business, assets or operations of any member of the Target Group;
- (i) no government agency having proposed, enacted any rule, regulation or decision or taken any measures or actions that would prohibit, restrict or materially delay the transactions contemplated by the Agreement;
- (j) Kaisa Health being satisfied with the results of the due diligence conducted by it and its key officers, employees, agents and professional advisers on the business, operations, assets, financial and legal aspects of each member of the Target Group; and

- (k) the Agreement and the transactions contemplated thereunder having been approved by more than 50% of the votes cast by the Shareholders at the EGM.

Kaisa Health may at any time waive in whole or in part and conditionally or unconditionally any of the foregoing Conditions Precedent (other than the Conditions Precedent in paragraphs (a) to (b), (d) to (f) and (k) which are not waivable in any event). In case Condition Precedent in paragraph (c) is waived, the number of Consideration Shares to be allotted and issued and the Issue Price shall be adjusted accordingly, taking out the effect of the Share Consolidation.

The Vendor shall use its best endeavours to ensure the satisfaction of the Conditions Precedent as soon as possible after the date of the Agreement.

If any of the Conditions Precedent (other than the Conditions Precedent in paragraphs (g) to (j)) is not satisfied or (if applicable) waived on or before the Long Stop Date or any of the Conditions Precedent in paragraphs (g) to (j) is not satisfied or (if applicable) waived on or before the Completion Date, Kaisa Health may unilaterally terminate the Agreement. Upon termination of the Agreement, no party to the Agreement shall have liability under the Agreement except for liabilities accrued prior to such termination and the surviving provisions shall continue in force following the termination of the Agreement.

With reference to the Condition Precedent in paragraph (d), as at the date of this announcement, neither the Vendor nor Kaisa Health is aware of any requirement for such waivers, consents, approvals, licences, authorizations, permits, orders and exemptions from the relevant governmental or regulatory authorities in connection with the Agreement and the transactions contemplated thereunder other those set out in the Conditions Precedent in paragraphs (a) to (b).

With reference to the Condition Precedent in paragraph (f), the loan dispute relates to a RMB500 million short-term interest bearing loan from Ruihong Real Estate as lender to Kaisa Shenzhen as borrower, with Kaisa Healthcare Investment as guarantor. As at the date of this announcement, the Ruihong Judgment has been handed down by the Intermediate People's Court in Shenzhen that, among others, Kaisa Healthcare Investment shall bear joint responsibility as guarantor under the Ruihong Guarantee.

As at 30 November 2025, the guarantee provided by Kaisa Healthcare Investment in relation to the foregoing debt amounted to approximately RMB136 million. The Vendor shall provide evidence that at least RMB36 million will have been repaid to the custodian account designated by the court, such that the liabilities to be borne by Kaisa Healthcare Investment will be no more than RMB100 million (i.e. the Capped Liabilities) and upon Completion, the liabilities to be taken up by the Kaisa Health Group will not be more than RMB100 million (i.e. the Capped Liabilities). Such evidence is expected to be provided by the Vendor to Kaisa Health within 180 days of the date of the Agreement and in any event, before Completion. The arrangement on the Capped Liabilities is a commercial arrangement between the parties to the Agreement.

As at the date of this announcement, none of the Conditions Precedent has been fulfilled.

Completion

Completion will take place on the Completion Date.

Upon Completion, Kaisa Health will, through the Target Company, hold a 54.84% equity interest of the Project Company. Members of the Target Group (including for the avoidance of doubt, the Project Group) will become subsidiaries of Kaisa Health and accordingly, their financial results and positions will be consolidated into the consolidated financial statements of Kaisa Health.

As at the date of the Agreement, the Company is interested in approximately 42.99% of the total issued shares of Kaisa Health. Since November 2017, Kaisa Health has been accounted for as a subsidiary of the Company. Upon completion of the Transaction, the Company's interest in Kaisa Health will increase by approximately 1.53% to approximately 44.52%, and Kaisa Health will continue to be accounted for as a subsidiary of the Company. Upon completion of the Transaction, the Company will continue to hold, through Kaisa Health (a subsidiary of the Company), the Target Company, and the Target Company will continue to be accounted for as a subsidiary of the Company.

Therefore, the Company's effective shareholding interest in the Project Company as at the date of the Agreement is 54.2916% ($100\% \times 99\% \times 54.84\%$), and the Company's effective shareholding interest in the Project Company upon completion of the Transaction will be 24.1706% ($44.52\% \times 99\% \times 54.84\%$), resulting in a disposal of 30.1210% effective interest in the Project Company by the Company.

VALUATION

The market value of the 100% equity interest in the Target Company as at 30 November 2025 amounts to RMB21,603,729. The market value of the Target Company is calculated by adjusting the market value of the Project Group (which has been determined based on the income approach) with the assets and liabilities of the Target Holding Companies, which are not related to the Project Group.

The calculation of the Valuation is summarized below:

RMB

| | |
|---|----------------------|
| Market Value of 100% equity interest in the Project Company before DLOM | 2,555,714,818 |
| Less: Minority Interest (45.71%) | (1,168,176,352) |
| Market Value of the Project Company held by the Target Company before DLOM | 1,387,538,466 |
| Less: Net liabilities of the Target Holding Companies (<i>Note</i>) | (1,360,398,104) |
| Market Value of 100% equity interest in the Target Company before DLOM | 27,140,363 |
| Less: Discount on lack of marketability | 20.4% |
| Market Value of 100% equity interest in the Target Company after DLOM | 21,603,729 |

Note: Details of the liabilities of the Target Holding Companies are set out in the section headed “FINANCIAL GUARANTEES AND KEY LIABILITIES OF THE TARGET GROUP” in this announcement.

The Valuation constitutes a profit forecast for the purpose of Rule 14.61 of the Listing Rules (the “**Profit Forecast**”) and, accordingly, the requirements under Rule 14.60A of the Listing Rules are applicable.

Valuation approaches

For the Valuation, the Valuer has considered three generally accepted approaches, namely income approach, market approach and cost approach. Each of the Target Holding Companies is an investment holding company with no substantive business; and the principal assets held by the Target Group are the Project Group, and the principal business of the Target Group is the Project Business. Therefore, the market value of the Target Company is calculated by adjusting the market value of the Project Company with the assets and outstanding liabilities of the Target Holding Companies which are not related to the Project Company.

The cost approach does not focus on the income the asset generates in the future and does not value those unidentified intangibles’ value of a business. For the Valuation, cost approach is considered not appropriate, as it does not directly incorporate information about the economic benefits contributed by the business enterprise. The Project Company is a pharmaceutical company. Pharmaceutical companies generally are asset-light companies with significant values which are not reflected in the balance sheets. Therefore, the cost approach is not an appropriate approach to value the underlying business of the Project Company.

The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the valued assets relative to the market comparable if necessary and appropriate. Assets for which there is an established secondary market may be appraised by this approach. The use of multiples in market approach oversimplifies complex information into just a single value or a series of values, even after adjustments were made. This effectively disregards other factors that affect a company's intrinsic value, such as growth or decline. As such, multiples are unlikely to be a reliable indicator of value and comparisons are not as conclusive. The Project Company is still in a high growth stage, with historical revenue growth of 9% in 2024 and 16% in 2025 mainly due to an overall increase in the demand for and sales of the products and increase in the prices of some of the products such as nalorphine products, opiate powder, dihydrocodeine tartrate and compound licorice tablets. Such growth rate is substantially higher than the projected CPI growth in the PRC of around 2% based on data from the Organization for Economic Cooperation and Development (OECD). Taking into account the foregoing, the market approach may not be the best method to fully reflect the actual situation currently undergoing by the Project Company, as the market approach does not fully take into account the future economic benefits of the Project Company. Therefore, the Valuer considered that market approach is not appropriate.

Considering that the income approach can reflect the overall profitability of the Project Company as a going concern, which includes the value of the resources and assets not recognized in the financial statements, the Valuer adopted the income approach through the application of discounted cash flow (“**DCF**”) method for the valuation of market value of 100% equity interest in the Project Company.

The DCF method is the most fundamental and prominent method of the income approach. Under the DCF method, the forecasted cash flows are discounted back to the valuation date, resulting in a present value of the asset. The Valuer has adopted the DCF method under the income approach based on the financial forecast and supporting explanations provided by the Management. It has discounted the Free Cash Flow to Firm (“**FCFF**”), being cash flows left over after covering capital expenditure and working capital needs, to estimate the enterprise value of the Project Company. The FCFF based on DCF method discounts the accumulated cash flows to all claimholders in the firm by the weighted average cost of capital (“**WACC**”).

The Valuer has adjusted the financial forecast provided by the Management into the cash flow projections by applying the FCFF formula.

To estimate the terminal value of the Project Company at the end of the projected period, the Valuer has used the Gordon Growth Model. This model is used to assess the terminal value of firms that are growing at a stable growth rate and relates the value to its expected cash flows in the next time period, the required rate of return and the expected growth rate.

$$\text{Terminal Value} = CF_n + 1/(r - g)$$

Where:

CF_{n+1} = Expected cash flows one year from n th year

r = Required rate of return. (i.e. discount rate)

g = Growth rate perpetual

The WACC was adopted as the discount rate for valuation. It is the required return on the capital investment of the Project Company. The cost of capital will be different for each source of capital and class of securities. The WACC is the weighted average of the costs of each of the different types of capital, and the weights are proportion of Project Company's capital that comes from each source. The WACC of 13.20% was computed using the following formula:

$$WACC = Re (E/V) + Rd (D/V) (1 - Tc)$$

Where:

WACC = weighted average cost of capital

Re = cost of equity

Rd = cost of debt

E = value of the firm's equity

D = value of the firm's debt

V = sum of the values of the firm's equity and debt

E/V = weight of equity

D/V = weight of debt

Tc = corporate tax rate

Cost of Equity

The cost of equity was determined using the Capital Asset Pricing Model ("CAPM") which describes the relationship between the risk of a particular asset, its market price and the expected return to the investor, that investors required additional return to compensate additional risk associated by the following formula:

$$Re = Rf + \beta * MRP + SCRP + CSP$$

Where:

Re = cost of equity

Rf = risk-free rate.

β = beta coefficient. It measures the risk of an asset relative to the overall market.

MRP = market risk premium. It measures the difference between the expected return on an investment in China where the Project Company operates and the risk-free rate.

SCRP = small capitalization risk premium

CSP = company specific premium

Key inputs and principal assumptions

In determining the market value of the equity interest in the Project Group, the Valuer makes the following assumptions:

- (i) the adopted rates of the valuation parameters are as follows:
 - a. risk-free rate: 1.83%
 - b. beta coefficient: 0.82
 - c. market risk premium: 5.25%
 - d. cost of equity: 6.13%
 - e. WACC: 12.98%
 - f. cost of debt: 4.17%
 - g. company specific risk premium: 4%
 - h. capital structure: 5.68% debt; 94.32% equity
 - i. growth rate perpetual: 2%
 - j. small capitalisation risk premium: 3.38%
- (ii) The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in public companies. A discount for lack of marketability (DLOM) of 20.4% has been adopted in the valuation, with reference to “Stout Restricted Stock Study: Companion Guide (2023 Edition)”;
- (iii) Other assumptions:
 - a. There will be no major changes in the existing political, legal, fiscal and economic conditions in the PRC in which the Project Company and its subsidiaries carries on its business;
 - b. There will be no major changes in the current taxation law in the PRC, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;
 - c. Exchange rates and interest rates will not differ materially from those presently prevailing;
 - d. The labor market conditions in the PRC will not differ materially from those presently prevailing;
 - e. The Project Company and its subsidiaries will retain competent management, key personnel and technical staff to implement its operational plans;
 - f. According to the Management, the Project Company has not experienced any previous financing issues. In this valuation, future financing is expected to be available on the forecast growth of the Project Company and its subsidiaries’ operation;

- g. The Valuer noted that the pharmaceutical license of the Project Company is subject to constant renewal, after clearance of the regulator. The current pharmaceutical license was granted by the government on 13 November 2025 and will expire on 12 November 2030. In this valuation, the Valuer has assumed that the Project Company will operate as a going concern and that the future licenses will be successfully renewed, which has been reassured by the Management with high certainty, and the fact that the Project Company has successfully renewed the license historically without delays. The Valuer noted that if in the rare case that the pharmaceutical license could not be renewed, the Project Company would not be able to effectively conduct its business.

Confirmations

The Valuation constitutes a profit forecast for the purpose of Rule 14.61 of the Listing Rules.

A letter from the Reporting Accountant dated 18 March 2026 confirming that it has reviewed the accounting policies and the calculations for the Profit Forecast is set out in Appendix I to this announcement for the purpose under Rule 14.60A(2) of the Listing Rules.

The Board has reviewed the assumptions upon which the Profit Forecast was based (details of which are set out in the section headed “**Valuation – Key inputs and principal assumptions**” in this announcement and is of the view that the Profit Forecast has been made with due care and consideration. A letter from the Board dated 18 March 2026 is set out in Appendix II to this announcement for the purpose under Rule 14.60A(3) of the Listing Rules.

Having considered the valuation report prepared by the Valuer, including the assumptions upon which the Profit Forecast was based, the Board (excluding Mr. Kwok, Mr. Liu Lihao and Ms. Luo Tingting, each an executive Director, and each of whom is an executive director of Kaisa Health) considers that the Consideration, which was determined with reference to the Valuation, is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The qualifications of the Reporting Accountant and the Valuer are as follows:

| Name | Qualifications |
|--------------------------------------|------------------------------|
| ZSZH (HK) Fuson CPA Limited | Certified Public Accountants |
| Hong Kong Appraisal Advisory Limited | Professional valuer |

Each of the Reporting Accountant and the Valuer is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, none of the Reporting Accountant and the Valuer has any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of this announcement, each of the Reporting Accountant and the Valuer does not have any direct or indirect interests in any assets which have been since 31 December 2024 (the date to which the latest published annual results of the Group were made up) acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the Reporting Accountant and the Valuer has given and has not withdrawn its written consent to the publication of this announcement with inclusion of its opinion and advice in its report/letter and all references to its name in the form and context in which it appears in this announcement.

FINANCIAL GUARANTEES AND KEY LIABILITIES OF THE TARGET GROUP

The key liabilities and contingent liabilities of the Target Group (including the Project Group) as at 30 November 2025 are as follows:

(a) Target Holding Companies:

- (i) **Minsheng Bank Loan:** the loan owing by Kaisa Healthcare Investment as borrower to Minsheng Bank as creditor (the “**Minsheng Bank Loan**”) in initial principal amount of RMB421 million and outstanding principal amount of RMB351 million as at 30 November 2025, the maturity date of which is 20 December 2028 pursuant to the settlement agreement with Minsheng Bank and which is interest bearing at 4.45% to 6.6% per year (the total amount of interest to be accrued from 30 November 2025 to maturity is estimated to be approximately RMB48 million);
- (ii) **Minsheng Bank Guarantees:** the guarantees given by Kaisa Healthcare Investment in favour of Minsheng Bank (the “**Minsheng Bank Guarantees**”) in respect of the loans owing by Shenzhen Jingjia Urban Renewal Company Ltd. (深圳市景佳城市更新有限公司), a subsidiary of Kaisa Group, as borrower to Minsheng Bank as creditor in the aggregate sum of RMB600 million, RMB500 million of which will mature in December 2028, and RMB100 million of which will mature in June 2031. While the loans are interest bearing at 15.4% per year, the liability of Kaisa Healthcare Investment under the Minsheng Bank Guarantees is capped at RMB600 million;
- (iii) **Ruihong Guarantee:** the guarantee provided by Kaisa Healthcare Investment in favour of Ruihong Real Estate (the “**Ruihong Guarantee**”) in relation to the debt owing by Kaisa Shenzhen (a wholly-owned subsidiary of Kaisa Group) as borrower to Ruihong Real Estate as lender in the amount of approximately RMB136 million as at 30 November 2025. As mentioned in the Agreement, it is a condition precedent to completion of the Acquisition that the liability to be taken up by Kaisa Healthcare Investment shall not be more than RMB100 million. The parties are currently in discussions on the timing of the repayment and the outstanding amounts in connection with the Ruihong Guarantee are currently expected to be repaid in 2026. With the liability capped at RMB100 million, it is expected that sufficient liquidity will be available for the repayment as and when required;

- (iv) amount owing by the Target Company to a fellow subsidiary of Kaisa Group in the amount of approximately RMB179 million, the repayment schedule of which is negotiable;
- (v) the deferred income tax of the Target Company in the amount of approximately RMB29 million;

the above liabilities are not related to the conduct of the business operations of the Project Company;

(b) Project Group:

- (i) long-term special payables by the Project Company in the amount of approximately RMB121 million (subsidy for new plant construction and relocation);
- (ii) long-term trade payables by the Project Company in the amount of approximately RMB25 million;
- (iii) long-term other payables by the Project Company in the amount of approximately RMB31 million; and
- (iv) advances from customers of the Project Company in the amount of approximately RMB37 million.

The above liabilities in paragraphs (a) and (b) above have been taken into account by the Valuer in deriving the Valuation.

Prior to the entering into of the Agreement, Kaisa Healthcare Investment has entered into the Minsheng Bank Guarantees. Based on information provided by the Vendor and the Target Group, it is the agreement between Minsheng Bank and Kaisa Healthcare Investment that the Minsheng Bank Guarantees were granted by Kaisa Healthcare Investment as one of the conditions for extending the maturity date of the Minsheng Bank Loan to 20 December 2028; and the Minsheng Bank Guarantees shall continue to take effect after Completion.

SHAREHOLDING STRUCTURE OF KAISA HEALTH AND SHAREHOLDING INTEREST OF THE CROUP IN KAISA HEALTH

The following shareholding table shows the shareholding structure of Kaisa Health and shareholding interest of the Group in Kaisa Health (i) as at the date of this announcement; (ii) immediately after the Share Consolidation having become effective; (iii) immediately after the allotment and issue of the Consideration Shares and taking into account the effect of the Share Consolidation, in each case assuming that no other further Kaisa Health Shares will be allotted and issued between the date of this announcement and the date of the allotment and issue of the Consideration Shares (as the case may be):

| Name of Kaisa Health Shareholders | As at the date of this announcement | | Immediately after the Share Consolidation having become effective | | Immediately after the allotment and issue of the Consideration Shares and taking into account the effect of the Share Consolidation | |
|---|-------------------------------------|--|---|--|---|--|
| | <i>No. of Kaisa Health Shares</i> | <i>Approximate % of the issued share capital of Kaisa Health</i> | <i>No. of Kaisa Health Shares</i> | <i>Approximate % of the issued share capital of Kaisa Health</i> | <i>No. of Kaisa Health Shares</i> | <i>Approximate % of the issued share capital of Kaisa Health</i> |
| Vendor (Note 1) | – | – | – | – | 2,789,967 | 2.69 |
| The Company (Note 1) | <u>2,167,600,491</u> | <u>42.99</u> | <u>43,352,009</u> | <u>42.99</u> | <u>43,352,009</u> | <u>41.83</u> |
| Sub-total for the Vendor and the Company | 2,167,600,491 | 42.99 | 43,352,009 | 42.99 | 46,141,976 | 44.52 |
| Ying Hua Holdings (Note 2) | 308,000,000 | 6.11 | 6,160,000 | 6.11 | 6,160,000 | 5.94 |
| Ms. Chan (Note 3) | <u>2,020,000</u> | <u>0.04</u> | <u>40,400</u> | <u>0.04</u> | <u>40,400</u> | <u>0.04</u> |
| Sub-total for the Vendor, the Company and parties acting in concert with any of them | 2,477,620,491 | 49.14 | 49,552,409 | 49.14 | 52,342,376 | 50.51 |
| Public Kaisa Health Shareholders | <u>2,564,518,883</u> | <u>50.86</u> | <u>51,290,378</u> | <u>50.90</u> | <u>51,290,378</u> | <u>49.49</u> |
| Total | <u>5,042,139,374</u> | <u>100</u> | <u>100,842,787</u> | <u>100</u> | <u>103,632,754</u> | <u>100</u> |

The following shareholding table shows the shareholding structure of Kaisa Health and shareholding interest of the Group in Kaisa Health (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Consideration Shares (without taking into account the effect of the Share Consolidation), in each case assuming that no other further Kaisa Health Shares will be allotted and issued between the date of this announcement and the date of the allotment and issue of the Consideration Shares (as the case may be):

| Name of Kaisa Health Shareholders | As at the date of this announcement | | Immediately after the allotment and issue of the Consideration Shares (without taking into account the effect of the Share Consolidation) | |
|---|--|--|---|--|
| | <i>No. of Kaisa Health Shares</i> | <i>Approximate % of the issued share capital of Kaisa Health</i> | <i>No. of Kaisa Health Shares</i> | <i>Approximate % of the issued share capital of Kaisa Health</i> |
| Vendor (<i>Note 1</i>) | – | – | 139,498,364 | 2.69 |
| The Company (<i>Note 1</i>) | 2,167,600,491 | 42.99 | 2,167,600,491 | 41.83 |
| Sub-total for the Vendor and the Company | 2,167,600,491 | 42.99 | 2,307,098,855 | 44.52 |
| Ying Hua Holdings (<i>Note 2</i>) | 308,000,000 | 6.11 | 308,000,000 | 5.94 |
| Ms. Chan (<i>Note 3</i>) | 2,020,000 | 0.04 | 2,020,000 | 0.04 |
| Sub-total for the Vendor, the Company and parties acting in concert with any of them | 2,477,620,491 | 49.14 | 2,617,118,855 | 50.51 |
| Public Kaisa Health Shareholders | 2,564,518,883 | 50.86 | 2,564,518,883 | 49.49 |
| Total | 5,042,139,374 | 100 | 5,181,637,738 | 100 |

Notes:

- The Vendor is an indirect wholly-owned subsidiary of the Company.
- Ying Hua Holdings Limited is a company incorporated in the BVI and is wholly owned by KS Holdings 2 Limited. KS Holdings 2 Limited is the trustee of 308,000,000 Shares under a discretionary trust of which Mr. Kwok is the founder.
- Ms. Chan is the spouse of Mr. Kwok.
- Save for Mr. Kwok's interest as disclosed in this announcement, none of the directors of Kaisa Health holds any Kaisa Health Shares as at the date of this announcement.
- The percentage figures are for reference only and may not add up to 100% due to rounding.

INFORMATION ON THE VENDOR, THE COMPANY AND KAISA HEALTH

The Vendor is a company incorporated in the British Virgin Islands with limited liability. The Vendor is principally engaged in investment holding. As at the date of this announcement, the Vendor is a wholly-owned subsidiary of Paramount Access Investments Limited, which is in turn a wholly-owned subsidiary of the Company.

The Company is an exempted company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1638). The Company is an investment holding company. The Company and its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cultural centre operations and health care operations, in the PRC. As at the date of this announcement, the single largest shareholder of the Company is Mr. Kwok, who is interested in an aggregate of approximately 18.62% of the issued share capital of the Company.

Kaisa Health is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 876). Kaisa Health and its subsidiaries are principally engaged in the dental business (the “**Dental Business**”), including the sale and production and research and development of dental prosthetics and trading of dental implant instruments, and healthcare business, including provision of public health and medical services (the “**Healthcare Business**”, together with the Dental Business, collectively, the “**Existing Businesses**”).

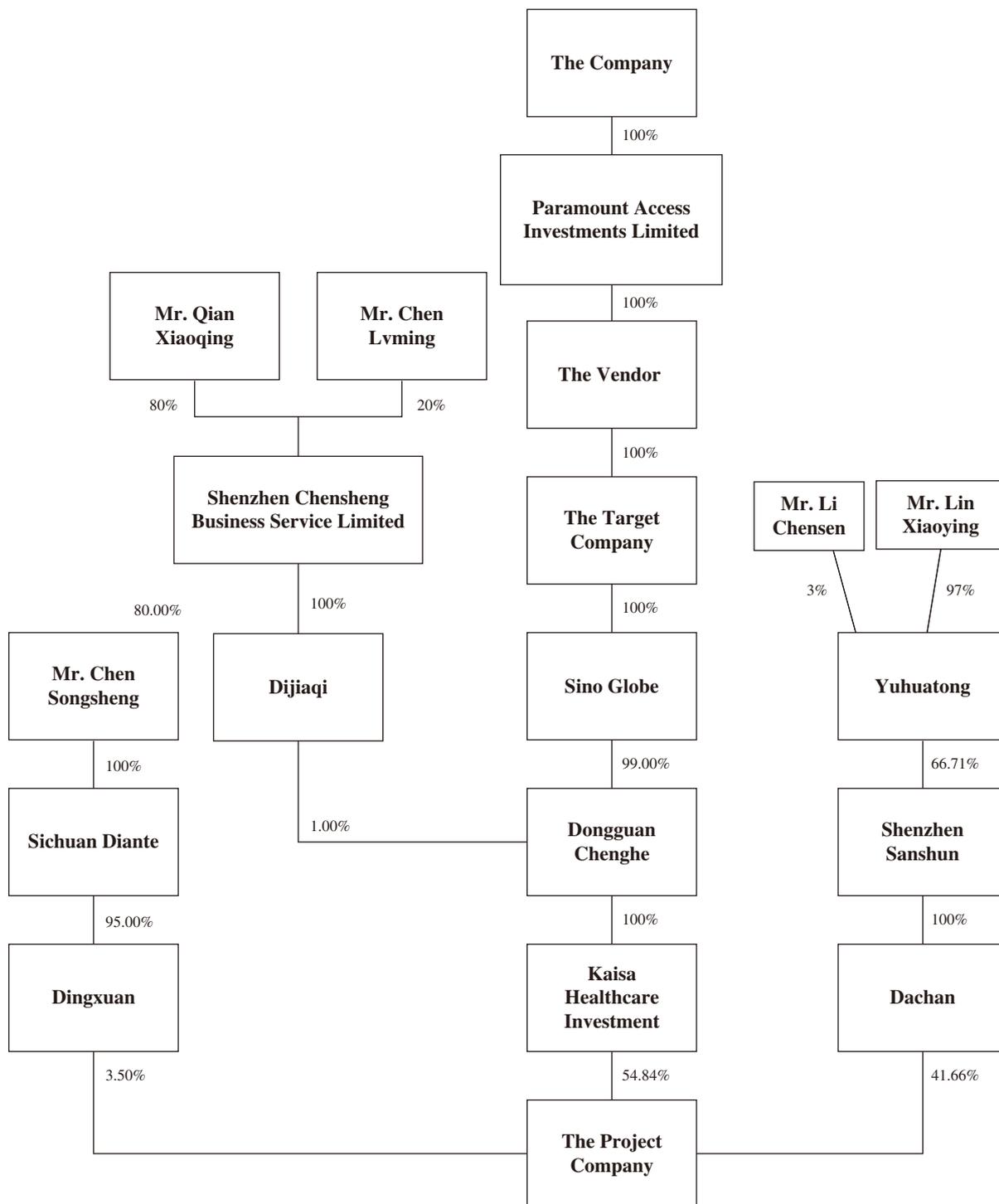
As at the date of this announcement, the Company is interested in an aggregate of 2,167,600,491 Kaisa Health Shares, representing approximately 42.99% of the total issued Kaisa Health Shares. Since November 2017, Kaisa Health has been accounted as a subsidiary of the Company. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, none of the other shareholders of Kaisa Health held 10% or more of the issued share capital of Kaisa Health as at the date of this announcement.

INFORMATION ON THE TARGET GROUP

As at the date of the Agreement, the Target Company holds the entire issued share capital of Sino Globe, which holds a 99% equity interest of Dongguan Chenghe, which in turn directly holds the entire issued share capital of Kaisa Healthcare Investment, which in turn directly holds a 54.84% equity interest of the Project Company. The Project Company is accounted for as an indirect subsidiary of the Target Company. Each of the Target Holding Companies is an investment holding company with no substantive business; and the principal assets held by the Target Group are the Project Group. The principal business of the Target Group is the Project Business.

The remaining 45.16% equity interest of the Project Company is held as to (i) 41.66% by 海南達燦投資有限公司 (Hainan Dachan Investment Co. Ltd.*) (“**Dachan**”), a wholly-owned subsidiary of 深圳三順製藥有限公司 (Shenzhen Sanshun Pharmaceutical Co., Ltd.*) (“**Shenzhen Sanshun**”) which is in turn ultimately owned as to 66.7% by 裕華通控股集團有限公司 (Yuhuatong Holding Group Co., Ltd.*) (“**Yuhuatong**”), which is held as to 97% by Mr. Lin Xiaoying and as to 3% by Mr. Li Chensen; and (ii) 3.5% by 海南鼎軒投資有限公司 (Hainan Dingxuan Investment Co. Ltd.*) (“**Dingxuan**”), which is in turn ultimately owned as to 95% by 四川迪安特醫藥科技有限公司 (Sichuan Diante Pharmaceutical Technology Co., Ltd.*) (“**Sichuan Diante**”) whose ultimate beneficial owner is Mr. Chen Songsheng. The remaining 1% of Dongguan Chenghe is held by 深圳市迪迦啟商務服務有限公司 (Shenzhen Dijiaqi Commercial Services Company Limited*) (“**Dijiaqi**”), which is wholly-owned by Shenzhen Chensheng Business Service Limited and which is in turn held as to 80% by Mr. Qian Xiaoqing and as to 20% by Mr. Chen Lvming.

A structure chart of the Target Group as at the date of the Agreement is set out below:



The Project Group

The Project Company was established in the PRC with limited liability on 31 May 2000. The Project Group is engaged in the Project Business (details of which are set out in the next paragraph). The business history of the Project Company can be traced back to 青海製藥廠 (for identification only, Qinghai Pharmaceutical Plant) which was established in May 1958 as a state-owned enterprise in Qinghai Province, the PRC that operated the Project Business prior to the establishment of the Project Company. In May 2000, the Project Company was established as a corporate vehicle to take up and continue the Project Business in the form of a private limited company. The Project Company (including its predecessor) has a business history of over 60 years. As at the date of this announcement, the Project Company has a registered capital of RMB100,000,000.

The Project Business

The Project Group is engaged in the research and development, manufacturing, and sale of pharmaceutical products (including anaesthetic products) in the PRC. The Project Group's principal products include the active pharmaceutical ingredients (原料藥) and products (製劑) of anaesthetic antitussive. The products of the Project Group, such as medicines that are used for pain relief or anti-infection purpose, also have general applications in dentistry. The Project Company holds a pharmaceutical product manufacturing licence (藥品生產許可證) issued by the Qinghai Medical Products Administration (青海省藥品監督管理局), the current term of which will expire on 12 November 2030. The Project Company has its own research and development and manufacturing facilities located in Xining City, Qinghai Province, the PRC with a total site area of approximately 76,000 sqm and a total gross floor area of approximately 43,890 sqm.

The Project Company expects to relocate its research and development and manufacturing facilities to a new location in Xining City, Qinghai Province, the PRC by October 2026, and the new facilities are currently in the construction stage. The new facilities will be larger in scale with a total gross floor area of approximately 89,935 sqm and production lines for the production of existing and new pharmaceutical products will be expanded to cater for the business development needs of the Project Group. In other words, the relocation and the construction of the new facilities are expected to have positive impact on the production capabilities of the Project Company, in further support of the achievement of the forecasted revenue set out in the Valuation.

In addition, the Project Company has established the Shanghai Research Institute in Shanghai, which specializes in the research and development of active pharmaceutical ingredients and formulations. These R&D investments are expected to facilitate further commercialization and enable leapfrog development in the coming years.

The Project Company is one of a very limited number of pharmaceutical manufacturers in the PRC which is designated by the NMPA to manufacture active pharmaceutical ingredients (原料藥) for narcotic and psychotropic drugs in the PRC.

As at the date of this announcement, the Project Company is the registered owner of 30 patents in the PRC and is a national high and new technology enterprise (國家高新技術企業) in the PRC. At the same time, the Buprenorphine Injection product of the Project Company has won the second prize of the Science and Technology Progress Award from the State Administration of Medical Products Administration (國家醫管局科技進步二等獎) and the third prize of the Science and Technology Progress Award from the State Science and Technology Commission (國家科委科技進步三等獎). In addition, the Project Company has also won the honorary titles of National Pharmaceutical Enterprise Culture Construction Demonstration Unit(全國醫藥企業文化建設示範單位), China's Famous Consumer Product (中國消費名品), and Xining Time-honored Brand (西寧老字號).

Financial information of the Target Group

The Target Group (including the Project Group)

Set out below is certain unaudited consolidated financial information of the Target Group for the two years ended 31 December 2024, and for the eleven months ended 30 November 2025:

| | For the year ended 31 December 2023 RMB'000 (Unaudited) | For the year ended 31 December 2024 RMB'000 (Unaudited) | For the eleven months ended 30 November 2025 RMB'000 (Unaudited) |
|-----------------------------------|--|--|---|
| Net profit/(loss) before taxation | (156) | (11,739) | (575,139) |
| Net profit/(loss) after taxation | (647) | (11,269) | (579,537) |

As at 30 November 2025, the unaudited consolidated net liabilities of the Target Group amounted to approximately RMB432,550,000.

The Project Group

Set out below is certain unaudited consolidated financial information of the Project Group for the two years ended 31 December 2024, and for the eleven months ended 30 November 2025:

| | For the year ended 31 December 2023 RMB'000 (Unaudited) | For the year ended 31 December 2024 RMB'000 (Unaudited) | For the eleven months ended 30 November 2025 RMB'000 (Unaudited) |
|-----------------------------------|--|--|---|
| Net profit/(loss) before taxation | 76,837 | 68,227 | 81,938 |
| Net profit/(loss) after taxation | 67,641 | 60,863 | 70,758 |

As at 30 November 2025, the unaudited consolidated net asset value of the Project Group amounted to approximately RMB383,302,000.

FINANCIAL EFFECT OF THE TRANSACTION

The Company's effective shareholding interest in the Project Company as at the date of the Agreement is 54.2916% (100% x 99% x 54.84%), and the Company's effective shareholding interest in the Project Company upon completion of the Transaction will be 24.1706% (44.52% x 99% x 54.84%), resulting in a disposal of 30.1210% effective interest in the Project Company by the Company.

Upon completion of the Transaction, the Company will continue to hold, through Kaisa Health (a subsidiary of the Company), the Target Company, and the Target Company will continue to be accounted for as a subsidiary of the Company.

Subject to audit to be performed by the Company's auditor, the Group is not expected to record any gain or loss in the consolidated income statement. As the Transaction represents a change in ownership interest of the Project Company without a loss of control, it is accounted for as an equity transaction. Accordingly, non-controlling interests amounting to approximately RMB18,171,000 is expected to be recognised within equity.

The actual amount of non-controlling interests to be recorded by the Group in its consolidated financial statement will depend on the financial position of the Target Company upon Completion and is subject to audit results, and therefore may be different from the amount mentioned above. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purpose only. No cash proceeds will be generated from the Transaction as the Consideration will be fully satisfied by the allotment and issue of Consideration Shares by Kaisa Health to the Vendor upon Completion.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company and its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cultural centre operations and health care operations, in the PRC.

Kaisa Health, a subsidiary of the Company, is principally engaged in the Dental Business, including the sale and production and research and development of dental prosthetics and trading of dental implant instruments, and Healthcare Business, including provision of public health and medical services.

The Project Business is along the same line of business as Kaisa Health's Existing Businesses as both of them relate to the healthcare field. Among others, both the Project Business and the Dental Business involve the research and development and production of medical products for sale and distribution through third-party distributors to downstream service providers and patient end-users.

The Transaction allows the Group to integrate its businesses by putting similar businesses on the same platform so that the Group can benefit from better economies of scale. Through integrating the Project Business with Kaisa Health's Existing Businesses, economies of scale in terms of sales and marketing activities can be achieved as the integration provides for cross-referral of sale opportunities through the respective distribution networks of the Project Business and the Existing Businesses within the public and private healthcare system in the PRC, in particular in the dentistry field. Through the complementary synergies achieved by the consolidation of the two businesses, the business scale and growth potential of the consolidated business will be expanded, leading to enhancement in the revenue, profitability and cashflow of the consolidated business. The Company, which will continue to hold, through Kaisa Health (a subsidiary of the Company), the Target Group (including the Project Group) upon completion of the Transaction, will benefit from such business integration on a more sustainable basis and enable the Company to bring better returns to its shareholders.

Taking into account the reasons for and benefits of the Transaction as set out above, the Board is of the view that the Consideration and the terms and conditions of the Transaction are fair and reasonable.

As at the date of this announcement, Mr. Kwok, Mr. Liu Lihao, Ms. Luo Tingting, each an executive Director, is an executive director of Kaisa Health. Therefore, the aforementioned Directors are deemed to have interest in the Transaction and thus have abstained from voting on the Board resolution approving the Transaction. Save for the aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Director has a material interest in the Transaction. The Directors (excluding the aforesaid Directors) are of the opinion that the terms of the Agreement are fair and reasonable, and the Transaction is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceed 5% and all of such ratio(s) are less than 25%, the Transaction constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Transaction is conditional upon fulfillment or waiver (where applicable) of a number of conditions precedent, the Transaction may or may not proceed, respectively. Shareholders and potential investors are urged to exercise extreme caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

| | |
|----------------------------|---|
| “Agreement” | the conditional sale and purchase agreement dated 18 March 2026 entered into between the Vendor as vendor and Kaisa Health as purchaser for the Transaction; |
| “associate” | has the meaning ascribed to it under the Listing Rules; |
| “Board” | the board of the Company; |
| “Business Day” | a day on which licensed banks are generally open for business in Hong Kong (excluding Saturdays, Sundays, Hong Kong public holidays and any weekday on which a tropical cyclone warning No. 8 or above or a “black” rain storm warning signal is hoisted any time between 9:00 a.m. and 5:00 p.m.); |
| “Change in Board Lot Size” | the change in board lot size of the Kaisa Health Shares for trading on the Stock Exchange from 10,000 Existing Shares to 2,000 Consolidated Shares; |
| “Company” | Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1638); |
| “Completion” | completion of the Transaction; |
| “Completion Date” | the third Business Day following the date on which the Conditions Precedent (other than the Conditions Precedent in paragraphs (g) to (j) as set out in the section headed “ Conditions Precedent ” in this announcement) shall be fulfilled or (if applicable) waived, or such other date as may be designated by Kaisa Health in accordance with the Agreement, or such other date as Kaisa Health may notify the Vendor in writing; |
| “Conditions Precedent” | the conditions precedent to Completion; |
| “connected person” | has the meaning ascribed to it under the Listing Rules; |
| “Consideration” | the total consideration in the amount of RMB21,603,729 (equivalent to approximately HK\$24,412,214) payable by Kaisa Health in respect of the Transaction; |

| | |
|--------------------------|---|
| “Consideration Share(s)” | 2,789,967 new Consolidated Share(s) (assuming the Share Consolidation having taken effect) or 139,498,364 new Existing Share(s) (assuming the Share Consolidation not having taken effect) to be allotted and issued by Kaisa Health to the Vendor to settle the Consideration upon Completion; |
| “Consolidated Share(s)” | ordinary share(s) of Kaisa Health of HK\$0.0625 each immediately after the Share Consolidation having become effective; |
| “Dental Business” | has the meaning given to it in the section headed “ Information on the Vendor, the Company and Kaisa Health ” in this announcement; |
| “Director(s)” | the director(s) of the Company; |
| “Dongguan Chenghe” | Chenghe Industrial Development (Dongguan) Co., Ltd. (誠合實業發展(東莞)有限公司), a company established in the PRC with limited liability, which holds 100% equity interest of Kaisa Healthcare Investment; |
| “EGM” | the extraordinary general meeting of the Company to be convened to approve, among others, the Transaction and the transactions contemplated thereunder in accordance with the Listing Rules; |
| “Existing Businesses” | has the meaning given to it in the section headed “ Information on the Vendor, the Company and Kaisa Health ” in this announcement; |
| “Existing Share(s)” | ordinary share(s) of Kaisa Health of HK\$0.00125 each prior to the Share Consolidation having become effective; |
| “Group” | the Company and its subsidiaries; |
| “Healthcare Business” | has the meaning given to it in the section headed “ Information on the Vendor, the Company and Kaisa Health ” in this announcement; |
| “HKFRSs” | Hong Kong Financial Reporting Standards; |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “Issue Price” | assuming the Share Consolidation having taken effect, HK\$8.75 per Consideration Share, and assuming the Share Consolidation not having taken effect, HK\$0.175 per Consideration Share; |

| | |
|-------------------------------|---|
| “Kaisa Health” | Kaisa Health Group Holdings Limited 佳兆業健康集團控股有限公司, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 876); |
| “Kaisa Health Group” | Kaisa Health and its subsidiaries; |
| “Kaisa Health SGM” | the special general meeting of Kaisa Health to be convened to approve, among others, the Transaction and the transactions contemplated thereunder and the Share Consolidation in accordance with the Listing Rules; |
| “Kaisa Health Shareholders” | holders of the Kaisa Health Shares; |
| “Kaisa Health Shares” | the shares of Kaisa Health; |
| “Kaisa Healthcare Investment” | Kaisa Healthcare Investment (Shenzhen) Co., Ltd.* (佳兆業醫療投資(深圳)有限公司), a company established in the PRC with limited liability which directly holds a 54.84% equity interest in the Project Company; |
| “Kaisa Shenzhen” | Kaisa Group (Shenzhen) Co., Ltd.* (佳兆業集團(深圳)有限公司), a company established in the PRC with limited liability; |
| “Listing Committee” | the Listing Committee of the Stock Exchange; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Long Stop Date” | 31 December 2026, or such later date as agreed between the Vendor and Kaisa Health in writing; |
| “Management” | the management of the Target Group; |
| “Minsheng Bank” | China Minsheng Banking Corporation Limited, Shenzhen Branch; |
| “Minsheng Bank Guarantees” | has the meaning given to in the section headed “ Financial Guarantees and Key Liabilities of the Target Group ” in this announcement; |
| “Minsheng Bank Loan” | has the meaning given to in the section headed “ Financial Guarantees and Key Liabilities of the Target Group ” in this announcement; |
| “Mr. Kwok” | Mr. Kwok Ying Shing, an executive Director and an executive director of Kaisa Health; |

| | |
|------------------------|---|
| “Ms. Chan” | Ms. Chan Nog, the spouse of Mr. Kwok; |
| “NMPA” | the National Medical Products Administration (國家藥品監督管理局); |
| “PRC” | the People’s Republic of China; |
| “Project Business” | the business conducted by the Project Group, details of which are set out in the section headed “ Information on the Target Group – Project Business ” in this announcement; |
| “Project Company” | 青海製藥有限公司 (Qinghai Pharmaceutical Co. Ltd.*), a company established in the PRC with limited liability; |
| “Project Group” | the Project Company and its subsidiary(ies); |
| “Reporting Accountant” | ZSZH (HK) Fuson CPA Limited |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “Ruihong Guarantee” | has the meaning given to in the section headed “ Financial Guarantees and Key Liabilities of the Target Group ” in this announcement; |
| “Ruihong Judgment” | the judgment handed down by the Intermediate People’s Court in Shenzhen that, among others, Kaisa Healthcare Investment shall bear joint responsibility as guarantor under the Ruihong Guarantee; |
| “Ruihong Real Estate” | Shenzhen Ruihong Real Estate Development Co., Ltd* (深圳市睿鴻置業發展有限公司), a company established in the PRC with limited liability and a creditor of the Vendor and/or its subsidiaries; |
| “Sale Shares” | the entire issued share capital of the Target Company; |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Share(s)” | the Existing Share(s) or the Consolidated Share(s), as the case may be; |
| “Share Consolidation” | the proposed consolidation of every fifty (50) Existing Shares into one (1) Consolidated Share; |
| “Shareholder(s)” | holder(s) of the Share(s); |

| | |
|----------------------------|---|
| “Sino Globe” | Sino Globe Limited 誠合有限公司, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Target Company as at the date of the Agreement; |
| “sqm” | square metres; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Target Company” | Embrace Blossom Limited (崇興有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor as at the date of this announcement; |
| “Target Group” | the Target Company and its subsidiaries, including the Project Group and the Target Holding Companies; |
| “Target Holding Companies” | collectively, the Target Company, Sino Globe, Dongguan Chenghe and Kaisa Healthcare Investment; |
| “Transaction” | the disposal of the entire issued share capital of the Target Company by the Vendor, a wholly-owned subsidiary of the Company, to Kaisa Health, a subsidiary of the Company, and other transactions in connection with such disposal; |
| “Valuation” | the valuation of the fair value of 100% issued share capital in the Target Company; |
| “Valuation Date” | has the meaning given to it in the section headed “ The Transaction ” in this announcement; |
| “Valuer” | Hong Kong Appraisal Advisory Limited, an independent professional valuer; |
| “Vendor” | Profit Vigorous Developments Limited (益旺發展有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement; |
| “Ying Hua Holdings” | Ying Hua Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a company wholly owned by KS Holdings 2 Limited, which is the trustee of a discretionary trust of which Mr. Kwok is the founder; and |
| “%” | per cent. |

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$1.13 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

* *The English translation of the Chinese names is included for information purposes only and should not be regarded as their official English translation.*

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

Hong Kong, 18 March 2026

As at the date of this announcement, the executive directors of the Company are Mr. Kwok Ying Shing, Mr. Mai Fan, Mr. Kwok Hiu Kwan, Ms. Luo Tingting, Mr. Song Wei and Mr. Liu Lihao; and the independent non-executive directors of the Company are Mr. Zhang Yizhao, Mr. Rao Yong, Mr. Liu Xuesheng and Mr. Li Dapeng.

* *For identification purposes only*

APPENDIX I – REPORT FROM THE REPORTING ACCOUNTANTS

The following is the text of a report received from ZSZH (HK) Fuson CPA Limited, the reporting accountants of the Company, in relation to the Valuation in accordance with the requirements under Rule 14.60A(2) of the Listing Rules, for the purpose of incorporation into this announcement.

INDEPENDENT ASSURANCE REPORT ON THE ACCOUNTING POLICIES AND CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION

TO THE BOARD OF DIRECTORS OF KAISA GROUP HOLDINGS LTD.

We have examined the accounting policies adopted and calculations of the discounted future estimated cash flows on which the valuation prepared by Hong Kong Appraisal Advisory Limited dated 26 January 2026 in respect of the valuation on market value of 100% equity interest in Embrace Blossom Limited and its subsidiaries (the “**Disposal Group**”) as at 30 November 2025 (the “**Valuation**”) is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and have been included in the announcement dated 18 March 2026 issued by Kaisa Group Holdings Ltd. (the “**Company**”) in connection with the discloseable transaction and connected transaction in relation to disposal of 100% equity interest in the Disposal Group (the “**Announcement**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions including the history, current, future perspectives of the financial projection and its nature of Disposal Group (the “**Assumptions**”). The Valuation is prepared on a basis consistent in all material aspects with the accounting policies adopted by the Company. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows based on the management accounts of the Disposal Group for the years ended 31 December 2023 and 2024, and eleven months ended 30 November 2025 for the Valuation and applying an appropriate basis of preparation and accounting policies adopted in the notes to the Company’s audited financial statements for the year ended 31 December 2024; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

It is our responsibility, pursuant to paragraph 14.60A(2) of the Listing Rules, to express an opinion on the accounting policies adopted and calculations of the discounted future estimated cash flows based on the management accounts of the Disposal Group for the years ended 31 December 2023 and 2024, and eleven months ended 30 November 2025, and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the HKICPA. This standard requires that we plan and perform our work to form the opinion.

This assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the accounting policies and calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions and the accounting policies adopted in the notes to the Company's audited financial statements for the year ended 31 December 2024. Within the scope of our work, we, amongst others, reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the bases and Assumptions.

The discounted future estimated cash flows have been prepared using a set of Assumptions that include hypothetical assumptions about future events and management's actions that cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the discounted future estimated cash flows since other anticipated events frequently do not occur as expected and the variation may be material. We are not reporting on the appropriateness and validity of the Assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, based on the foregoing, so far as the accounting policies and calculations are concerned, the discounted future estimated cash flows based on the management accounts of the Disposal Group for the years ended 31 December 2023 and 2024, and eleven months ended 30 November 2025 have been properly compiled, in all material respects, in accordance with the Assumptions and is prepared on a basis consistent in all material aspects with the accounting policies adopted in the notes to the Company's audited financial statements for the year ended 31 December 2024.

ZSZH (HK) Fuson CPA Limited

Certified Public Accountants

Unit 2, 27/F, Wu Chung House,
213 Queen's Road East,
Wan Chai, Hong Kong

Lee Yan Fai

Practising Certificate Number: P06078

Hong Kong, 18 March 2026

APPENDIX II – LETTER FROM THE BOARD

The following is the text of a letter received from the Board in relation to the Valuation in accordance with the requirements under Rule 14.60A(3) of the Listing Rules, for the purpose of incorporation into this announcement.

18 March 2026

To: The Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong

Dear Sirs,

RE: DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF 30.1210% EFFECTIVE INTEREST OF THE PROJECT COMPANY

We refer to (i) the announcement of even date (the “**Announcement**”) issued by Kaisa Group Holdings Limited (the “**Company**”); and (ii) the valuation (the “**Valuation**”) prepared by the Valuer in respect of the market value of 100% equity interest in the Target Company as at 30 November 2025. Capitalised terms used in this letter shall have the same meanings as defined in the Announcement unless otherwise specified.

The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast (the “**Profit Forecast**”) for the purpose of Rule 14.61 of the Listing Rules and, accordingly, the requirements under Rule 14.60A of the Listing Rules are applicable.

This letter is issued in compliance with Rule 14.60A(3) of the Listing Rules.

The Board has (i) reviewed the basis and the assumptions; (ii) reviewed the report from the Valuer regarding the calculations of the Valuation; (iii) reviewed the relevant work conducted by the Valuer in relation to the Valuation and the historical performance of the Target Group; and (iv) considered the report from the Company’s reporting accountant, ZSZH (HK) Fuson CPA Limited, regarding the calculations of the Valuation.

Based on the above, the Board confirms that the profit forecast in the aforesaid Valuation has been made after due and careful enquiry.

The Board of Directors
Kaisa Group Holdings Limited