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## **KAISA GROUP HOLDINGS LTD.**

**佳兆業集團控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1638)**

### **PROPOSED ISSUE OF USD SENIOR NOTES**

The Company proposes to conduct an international offering of USD senior notes.

The pricing of the 2013 Notes, including the aggregate principal amount, the Offer Price and the interest rate, will be determined through a book building exercise to be conducted by Citi, Credit Suisse and J.P. Morgan as the joint global coordinators, and Citi, Credit Suisse, J.P. Morgan and UBS as the joint lead managers and the joint bookrunners of the 2013 Notes Issue. Upon finalising the terms of the 2013 Notes, it is expected that Citi, Credit Suisse, J.P. Morgan, UBS and the Company, among others, will enter into the Purchase Agreement.

The Company intends to use over 90% of the net proceeds from the 2013 Notes Issue to refinance the PAG Loan and the RMB Bonds in full and the remainder for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

\* For identification purposes only

Approval in-principle has been received for the listing and quotation of the 2013 Notes on the Official List of the SGX-ST. Approval in-principle for the listing and quotation of the 2013 Notes on the SGX-ST is not to be taken as an indication of the merits of the Company, the 2013 Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries or associated companies (if any).

**As no binding agreement in relation to the 2013 Notes Issue has been entered into as at the date of this announcement, the 2013 Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the 2013 Notes Issue will be made by the Company should the Purchase Agreement be signed.**

## **THE 2013 NOTES ISSUE**

### **Introduction**

The Company proposes to conduct an international offering of USD senior notes.

The pricing of the 2013 Notes, including the aggregate principal amount, the Offer Price and the interest rate, will be determined through a book building exercise to be conducted by Citi, Credit Suisse and J.P. Morgan as the joint global coordinators, and Citi, Credit Suisse, J.P. Morgan and UBS as the joint lead managers and the joint bookrunners of the 2013 Notes Issue. The terms and conditions of the 2013 Notes are still being determined and will likely include guarantees to be provided by the Subsidiary Guarantors as well as pledges of shares held by certain of these subsidiaries. Upon finalising the terms of the 2013 Notes, it is expected that Citi, Credit Suisse, J.P. Morgan, UBS and the Company, among others, will enter into the Purchase Agreement, pursuant to which Citi, Credit Suisse, J.P. Morgan and UBS will be the initial purchasers of the 2013 Notes. The Company will make a further announcement in respect of the 2013 Notes Issue upon the execution of the Purchase Agreement.

The 2013 Notes and the Subsidiary Guarantees have not been and will not be registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. Accordingly, the 2013 Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S. None of the 2013 Notes will be offered to the public in Hong Kong and none of the 2013 Notes will be placed with any connected persons of the Company.

### **The Company and reasons for the 2013 Notes Issue**

The Group is a leading PRC property developer with a sizeable and diversified land bank of approximately 23.9 million square metres GFA in 24 cities across five regions. According to “Top 50 Real Estate Enterprise Property Developers by Sales in 2011” and “Top 50 Real Estate Enterprise Property Developers by Sales in the first half of 2012” both jointly compiled and

issued by China Real Estate Information Corporation and China Real Estate Appraisal Center, the Group was ranked 12th nationwide in terms of GFA sold in 2011 and 16th nationwide in terms of GFA sold for the six months ended 30 June 2012. The Group focuses on mass market housing demand and is primarily engaged in the development of large-scale residential properties as well as integrated commercial properties.

Headquartered in Shenzhen, the Special Economic Zone adjacent to Hong Kong, the Group has historically focused its property development in the Pearl River Delta region. The Group's well-established position in the Pearl River Delta region is supported by its geographically diversified development portfolio, including projects in Greater Shenzhen, Foshan, Guangzhou and Zhuhai. Leveraging its success in the Pearl River Delta region, the Group has also expanded into other areas in China, including Shanghai, Hangzhou, Taicang, Changzhou and Jiangyin in the Yangtze River Delta region, Chengdu and Nanchong in the Western China region, Changsha, Wuhan and Zhuzhou in the Central China region, and Shenyang, Yingkou, Benxi, Panjin, Anshan, Weifang, Liaoyang and Huludao in the Pan-Bohai Bay Rim. In 2007, the Group derived all its revenue from sales of properties in the Greater Shenzhen area, including Shenzhen and the adjacent cities of Huizhou and Dongguan. For the six months ended 30 June 2012, the Group's revenue from sales of properties in the Greater Shenzhen area was RMB1.2 billion, accounting for 54.2% of the Group's total revenue from sales of properties for the same period. In July 2009, April 2010, August 2010 and November 2010, the Group completed Jiangyin Lake View Place Phase 1, Chengdu Lijing Harbour Phases 1 and 2, Shanghai Shanhuwan Garden and Changsha Lake View Place Phase 1, respectively, which became milestones in its expansion into the Yangtze River Delta region, the Western China region and the Central China region. With its in-depth property development experience and the dedication that it has demonstrated throughout its operational history, the Group intends to expand into other regions in China.

The Company intends to use over 90% of the net proceeds from the 2013 Notes Issue to refinance the PAG Loan and the RMB Bonds in full and the remainder for general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds.

## **Listing**

Approval in-principle has been received for the listing and quotation of the 2013 Notes on the Official List of the SGX-ST. Approval in-principle for the listing and quotation of the 2013 Notes on the SGX-ST are not to be taken as an indication of the merits of the Company, the 2013 Notes, the Subsidiary Guarantees, the Subsidiary Guarantors or their respective subsidiaries (if any). No listing of the 2013 Notes has been sought in Hong Kong.

## **GENERAL**

**As no binding agreement in relation to the 2013 Notes Issue has been entered into as at the date of this announcement, the 2013 Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the 2013 Notes Issue will be made by the Company should the Purchase Agreement be signed.**

## UPDATED INFORMATION ABOUT THE GROUP

Subsequent to 30 June 2012, the Group acquired parcels of land as set forth in the table below:

Location	Attributable interest (%)	Number of land parcels	Site area (sq.m.)	Attributable GFA per maximum allowed plot ratio (sq.m.)	Consideration (RMB in millions)	Type
Huludao	100%	4	260,718	573,580	195.6	Residential and commercial
Taizhou	51%	2	192,505	196,355	132.4	Residential and commercial
Dalian	100%	1	26,610	119,700	814.0	Residential and commercial
Jiangyin	100%	1	41,440	74,592	109.4	Residential
Jiangyin	100%	1	35,801	114,563	161.1	Residential
Dandong	100%	2	133,340	293,326	400.0	Residential and commercial
Chongqing	60%	1	84,980	178,458	205.5	Residential and commercial
Shanghai	100%	1	68,870	137,741	275.5	Residential and commercial
Chengdu	80%	2	120,570	337,596	630.8	Residential and commercial
Total		15	964,834	2,025,911	2,924.3	

## DEFINITIONS

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

“2013 Notes”	the USD senior notes to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“2013 Notes Issue”	the proposed issue of the 2013 Notes by the Company
“Board”	the board of Directors
“Citi”	Citigroup Global Markets Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the 2013 Notes

“Company”	Kaisa Group Holdings Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse Securities (Europe) Limited, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the 2013 Notes
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“J.P. Morgan”	J.P. Morgan Securities plc, one of the joint global coordinators, joint lead managers and joint bookrunners in respect of the offer and sale of the 2013 Notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Price”	the final price at which the 2013 Notes will be sold
“PAG Loan”	US\$120 million, exchangeable term loan under a facility agreement dated May 23, 2012 among the Company as borrower, certain subsidiaries of the Company as guarantors and PA International Opportunity VI Limited as lender
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement proposed to be entered into by and among, inter alia, the Company, Citi, Credit Suisse, J.P. Morgan and UBS in relation to the 2013 Notes Issue

“RMB”	Renminbi, the lawful currency of the PRC
“RMB Bonds”	U.S. dollar settled 8.5% senior secured guaranteed bonds due 2014 in the aggregate principal amount of RMB2,000,000,000
“SGX-ST”	Singapore Exchange Securities Trading Limited
“sq.m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the 2013 Notes Issue
“Subsidiary Guarantors”	certain existing subsidiaries of the Company guaranteeing the 2013 Notes
“UBS”	UBS AG, Hong Kong Branch, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the 2013 Notes
“USD” or “US\$”	United States dollars
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“%”	per cent.

By Order of the Board  
**Kaisa Group Holdings Ltd.**  
**Kwok Ying Shing**  
*Chairman and Executive Director*

Hong Kong, 2 January 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Kwok Ying Shing, Mr. Kwok Ying Chi, Mr. Sun Yuenan, Dr. Tam Lai Ling, Mr. Chen Gengxian and Mr. Jin Zhigang, and the independent non-executive directors of the Company are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu.*