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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)**

### **(1) PENDING APPOINTMENT OF FINANCIAL ADVISOR AND OTHER RECENT DEVELOPMENTS**

### **(2) CLARIFICATION**

This announcement is made by Kaisa Group Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 14.36 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 21 December 2014, 29 December 2014, 1 January 2015 and 6 January 2015 respectively in relation to the recent developments of the Group and the announcement dated 31 December 2014 in relation to the Disposal (collectively, the “**Announcements**”). Unless otherwise stated, terms used in this announcement should have the same meanings as those defined in the Announcements.

\* For identification purposes only

## **PENDING APPOINTMENT OF FINANCIAL ADVISOR AND OTHER RECENT DEVELOPMENTS**

The board of directors of the Company (the “**Board**”) would like to provide an update on certain recent developments of the Group.

### **1. Pending appointment of financial advisor**

The Board would like to announce that the Company is currently in discussions with several candidates (including international investment banking firms), with the objective of appointing a financial advisor to provide strategic advice with respect to the Company’s capital structure, including its offshore and onshore debt and other obligations. The Company expects that the financial advisor will assist the Company in reviewing and assessing various options and in formulating a plan to reach a consensual solution, taking into consideration the interests of all stakeholders, including the Company’s onshore and offshore creditors. The Company expects to announce such appointment within a short period of time. Further announcement will be made by the Company once the appointment of the financial advisor has been confirmed.

### **2. Waiver notice from HSBC**

Reference is made to the announcement of the Company dated 1 January 2015 in relation to the HSBC Facility Agreement. On 7 January 2015, the Company received a waiver notice from HSBC to waive the breach of the HSBC Facility Agreement in respect of the resignation of Mr. Kwok Ying Shing as the chairman of the Company in order to allow the Company to formulate viable repayment proposals and related options. Accordingly, the Company is no longer required to repay the Outstanding HSBC Facility immediately pursuant to the terms of the HSBC Facility Agreement.

### **3. Termination of discloseable transaction in relation to the disposal of equity interests and shareholder’s loan in Shanghai Qingwan Zhaoye**

Reference is made to the announcement of the Company dated 31 December 2014 in relation to the Disposal.

The Board announces that on 9 January 2015, the Vendor and the Purchaser entered into a termination agreement, pursuant to which the parties have mutually agreed to terminate the Agreement and to release and discharge all obligations and duties of the parties thereunder with effect from 9 January 2015. No payment has been made by the Purchaser to the Vendor in respect of the Disposal.

#### **4. Demand notices from creditors**

As at 9 January 2015, apart from the notice received by the Company as mentioned in its announcement dated 6 January 2015, the Company has received additional notices from its creditors which demanded for immediate repayment of the outstanding sum.

As at 9 January 2015, several bank accounts of the Group were frozen and under investigation by several banks with a total bank balance of approximately RMB447 million and RMB266 million (equivalent to approximately HK\$566.40 million and HK\$337.05 million). The Company is currently assessing the overall impact on the financial position of the Group as a result of the above and will publish further announcement(s) to provide an update as soon as practicable.

#### **5. Court applications**

On 9 January 2015, the Company has noted that various applications in relation to the preservation of the assets of the Group (the “**Court Applications**”) have been filed by its creditors. In addition, on 9 January 2015, the Company received a civil ruling (民事裁定書) from the relevant PRC court in relation to the preservation of assets of a member of the Group amounted to RMB651.15 million (equivalent to approximately HK\$825.08 million).

Save as disclosed above, as at 9 January 2015, the Company has not received any other documents from the PRC courts in relation to the preservation of assets of the Group. The Company will publish further announcement(s) to provide an update as soon as practicable.

#### **6. Default interest payment**

Reference is made to the announcement of the Company dated 4 January 2013 in relation to the issuance of US\$500 million 10.25% senior notes due 2020 (the “**2013 Notes**”). The 2013 Notes shall bear interest from and including 8 January 2013 at the rate of 10.25% per annum, payable semi-annually in arrears. The Company did not make a scheduled interest payment of US\$23 million (equivalent to approximately HK\$174.27 million) which was due 8 January 2015. The Company is currently assessing its financial position and will make further announcement regarding such interest payment.

## CLARIFICATION

Reference is made to the announcement of the Company dated 6 January 2015. The Board noted certain recent news articles which reported that Funde Sino Life Insurance Co., Ltd. (“**Sino Life**”), a substantial shareholder of the Company as project partner has demanded the Company to refund the fees of RMB1,200 million (equivalent to approximately HK\$1,520.53 million) paid under the Cooperation Agreements in relation to the Projects.

The Board would like to clarify that Sino Life is not one of the Project Partners, the Company has not received any demand from Sino Life to repay any sum as at the date of this announcement.

## FORWARD-LOOKING INFORMATION

Forward-looking statements in this announcement, including those statements relating to the pending appointment of financial advisor, are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Actual events and results could vary materially from the description contained herein due to many factors, including, among others, changes in the business and financial condition of the Group as well as changes in the market in general.

## SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 29 December 2014, and it will remain suspended pending the publication of further announcement(s) containing inside information of the Company in relation to, among others, the Court Applications and the appointment of financial advisor of the Group.

*For illustration purpose, amounts in RMB in this announcement have been translated to HK\$ at HK\$1.00 = RMB0.7892; and amounts in US\$ in this announcement have been translated to HK\$ at HK\$7.577 = US\$1.00.*

By order of the Board of  
**KAISA GROUP HOLDINGS LTD.**  
**Sun Yuenan**  
*Co-chairman and Executive Director*

12 January 2015

*As at the date of this announcement, the executive Directors are Mr. Sun Yuenan, Mr. Ye Lieli, Mr. Lei Fugui, Mr. Jin Zhigang and Mr. Yu Jianqing; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao and Mr. Rao Yong.*