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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)**

### **RECENT DEVELOPMENTS OF THE COMPANY**

This announcement is made by the Company pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) 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 4 December, 21 December and 29 December 2014, and 1 January, 6 January, 12 January, 16 January, 28 January, 9 February, 11 February, 16 February, 8 March and 13 March 2015, respectively (the “**Announcements**”). Terms defined in the Announcements shall bear the same meaning in this announcement.

\* For identification purposes only

## RECENT DEVELOPMENTS

The Board would like to provide an update on certain recent developments of the Group.

**1. (i)** *Partial release of the Blockage but subject to the Seizure – Unsold units of property projects under pre-sale*

As at the date of this announcement, the Group has four property projects under pre-sale in Shenzhen (the “**Pre-Sale Property Projects**”). According to the publicly available information as shown on the website of the Urban Planning Land and Resources Commission of Shenzhen Municipality (深圳市規劃和國土資源委員會) (the “**Relevant Authority**”) as at 7 April 2015, the Blockage on a majority of the unsold units in the Pre-Sale Property Projects has been released. A number of unsold units in the Pre-Sale Property Projects are subject to freezing order imposed by local courts in the PRC (司法查封) (the “**Seizure**”) and therefore are not saleable.

As at the date of this announcement, the Company has not received any notification letter from the relevant authority of the PRC regarding the reason for the partial release of the Blockage. The Company is in the course of communicating with the relevant authority with an aim to restoring the affected units to their normal conditions.

The following table summarizes the status of these four property projects according to the search conducted by the Company as at the respective dates below:

Property project	Total GFA of the property project (sq. m.) (Notes 1 and 3)	Total approximate GFA subject to the Blockage as at 20 December 2014 (sq. m.)	Total approximate GFA subject to the Blockage as at 7 April 2015 (sq. m.)	Total approximate GFA subject to the Seizure as at 7 April 2015 (sq. m.) (Note 3)	Type of property
Shenzhen Dapeng Kaisa Peninsula Resort (深圳佳兆業大鵬假日廣場) (Note 2)	130,520	51,076	4,014	43,755	Residential and commercial
Shenzhen Kaisa Yuefeng Garden (深圳佳兆業悅峰花園)	119,725	20,782	15,167	5,795	Residential and commercial
Shenzhen Kaisa Central Plaza (深圳市佳兆業中央廣場) (also known as Shenzhen Kaisa City Plaza (深圳佳兆業城市廣場))	973,600	116,060	55,996	50,210	Residential and commercial
Shenzhen Shanhai Meiyu Garden (山海美域花園) (also known as Shenzhen Kaisa Qianhai Plaza (深圳佳兆業前海廣場))	205,693	29,952	18,338	12,073	Residential
<b>Total</b>	<b>1,429,538</b>	<b>217,870</b>	<b>93,515</b>	<b>111,833</b>	

*Notes:*

1. Data as at 30 June 2014.
2. The property project was first subject to the Blockage on 28 November 2014. The relevant Blockage was temporarily lifted on 2 December 2014 and reimposed on 3 December 2014.
3. The remaining GFA of the above property projects which is not subject to the Blockage or the Seizure represents (a) the units which have been sold by the Group and the relevant transactions have been filed and/or registered with the relevant government authority in the PRC; or (b) the units which have not met the pre-sale requirements under PRC law and therefore are not available for pre-sale.

(ii) *Full release of the Restriction but subject to the Seizure – Unsold units of completed property projects and properties held for rental and self-use in Shenzhen*

According to the searches conducted by the Company at the Shenzhen Urban Planning and Land Information System (深圳市房地產信息系統) and the website of the Relevant Authority on 7 April 2015, the Restriction on the property rights of (a) all unsold units of three completed property projects of the Group in Shenzhen; and (b) all units of one property project of the Group in Shenzhen which are held by the Group for rental purpose has been released. Some of the units in these property projects remain subject to the Seizure.

As at the date of this announcement, the Company has not received any notification letter from the relevant authority of the PRC regarding the reason for the release of the Restriction. The Company is in the course of communicating with the relevant authority with an aim to restoring the affected units to their normal conditions.

The following table summarizes the status of the above property projects in Shenzhen according to the search conducted by the Company as at the respective dates below:

Property project	Total GFA of the property project (sq. m.) (Note 1)	Total approximate GFA subject to the Restriction as at 20 December 2014 (sq. m.)	Total approximate GFA subject to the Restriction as at 7 April 2015 (sq. m.)	Total approximate GFA subject to the Seizure as at 7 April 2015 (sq. m.)	Type of property
<b>UNSOLD UNITS OF COMPLETED PROPERTY PROJECTS</b>					
Shenzhen Mocha Town (深圳可園)	580,135	3,080	NIL	6,183	Commercial
Shenzhen Kaisa Metropolitan Homeland (深圳佳兆業新都匯家園) (Note 2)	96,970	646	NIL	10,265	Residential
Shenzhen Shangpin Garden (深圳上品雅園)	231,572	1,753	NIL	1,133	Commercial
<b>PROPERTIES HELD FOR RENTAL AND SELF-USE</b>					
<b>Properties held for rental</b>					
Shenzhen Woodland Height (深圳桂芳園)	580,135	21,033	NIL	15,818	Commercial
<b>Total</b>	<b>1,488,812</b>	<b>26,512</b>	<b>NIL</b>	<b>33,399</b>	

*Notes:*

1. Data as at 30 June 2014.
2. Based on the above search results, certain units of Shenzhen Kaisa Metropolitan Homeland with the GFA of 202 sq. m. are subject to the Blockage.

## **2. Preservation of assets applications under onshore loans**

The Company noted that as at 7 April 2015, a total of 70 applications in relation to the preservation of assets of the Group under onshore loans have been filed by the Group's creditors with the relevant PRC courts.

Out of these 70 applications, the Company received a total of (i) 28 civil rulings (民事裁定書) from the relevant PRC courts in relation to the preservation of assets of the Group under onshore loans which increased to approximately RMB14,827.20 million (equivalent to approximately HK\$18,738.48 million); and (ii) 34 notices of participation to action (應訴通知書). For the details of the above 34 notices, please refer to the paragraph headed "Court proceedings" below.

It is the intention of the Group to resolve these civil rulings with the creditors including project partners through amicable negotiation. The Group has engaged PRC legal counsel to advise on these 28 civil rulings in order to protect the interests of the Group.

For the other applications, the relevant creditors may further commence proceedings against the Group and seek the civil rulings. As at 7 April 2015, the Group has not received the relevant rulings from the relevant PRC courts in connection with any of those applications. The Company is not in a position to ascertain the total amount involved in those applications until it receives such rulings from the relevant PRC courts, which may or may not happen.

## **3. Court proceedings**

*Notices of participation to action*

Based on the information available to the Group, as at 7 April 2015, the Company has received 60 notices of participation to action (應訴通知書) from the relevant PRC courts (including the 34 notices mentioned in paragraph 2 above).

Out of those 60 notices, details in relation to the eight notices of participation to action in connection with onshore loans are as follows:

No.	Notice	Particulars of the cases	Action taken by the Group
1.	<p>Notice from the relevant PRC court was served on 大連市佳兆業商業經營管理有限公司 (Dalian Kaisa Commerce Operation Management Co., Ltd*) (“<b>Dalian Kaisa</b>”), a wholly-owned subsidiary of the Company, ordering it to appear as a defendant in the hearing of a case on 23 April 2015.</p>	<p>The case is related to dispute in relation to the debt restructuring agreement entered into, among others, among 深圳市佳兆業商業管理有限公司 (Shenzhen Kaisa Commerce Management Co., Ltd.*), Dalian Kaisa, Kaisa Shenzhen and Liaoning Branch of China Cinda. Liaoning Branch of China Cinda alleged the breach by Kaisa Shenzhen and requested for the repayment of the principal amount of RMB440.0 million (equivalent to approximately HK\$556.07 million) together with the termination penalties and the relevant costs and requested certain members of the Group to bear the responsibilities on a joint basis.</p>	<p>In response to the notices, objections were filed by the relevant member(s) of the Group with the relevant PRC court that the case should be transferred to a court having jurisdiction as such case has exceeded the jurisdiction of the relevant PRC court that has issued the notice. As at the date hereof, the results of which are still pending.</p>
2.	<p>Notice from the relevant PRC court was served on Kaisa Shenzhen, ordering it to appear as a defendant in the hearing of a case on 16 April 2015.</p>	<p>The case is related to dispute in relation to the loan agreement entered into, among others, between 大連華普置業有限公司 (Dalian Huapu Zhiye Co., Ltd.*) (“<b>Dalian Huapu</b>”), a wholly-owned subsidiary of the Company, Kaisa Shenzhen and Dalian Economic and Technological Development Zone branch (“<b>DETDZ Branch</b>”) of 中國光大銀行股份有限公司 (“<b>CEB</b>”). DETDZ Branch of CEB alleged that substantial change in the guarantor, being Kaisa Shenzhen affected the fund safety, and requested Dalian Huapu for the repayment of the principal amount of RMB100.0 million (equivalent to approximately HK\$126.38 million) together with the interests and requested Kaisa Shenzhen to bear the responsibilities on a joint basis and alleged to have the priority on the assets which are subject to the pledge.</p>	

No.	Notice	Particulars of the cases	Action taken by the Group
3.	<p>Notice from the relevant PRC court was served on Kaisa Shenzhen, ordering it to appear as a defendant in the hearing of a case on 16 April 2015.</p>	<p>The case is related to dispute in relation to the loan agreement entered into, among others, among Dalian Huapu, Kaisa Shenzhen, and DETDZ Branch of CEB. DETDZ Branch of CEB alleged that substantial change in the guarantor, being Kaisa Shenzhen affected the fund safety, and requested Dalian Huapu for the repayment of the principal amount of RMB380.0 million (equivalent to approximately HK\$480.24 million) together with the interests and the relevant costs and requested Kaisa Shenzhen to bear the responsibilities on a joint basis and alleged to have the priority on the assets which are subject to the pledge.</p>	
4.	<p>Notice from the relevant PRC court was served on Dalian Kaisa, ordering it to appear as a defendant in the hearing of a case on 23 April 2015.</p>	<p>The case is related to dispute in relation to the loan agreement entered into between Dalian Kaisa and DETDZ Branch of 中國工商銀行股份有限公司 (“ICBC”). DETDZ Branch of ICBC alleged the breach by Dalian Kaisa and requested for the termination of such loan agreement and repayment of the principal amount of RMB540.0 million (equivalent to approximately HK\$682.45 million) together with the legal fee and litigation costs and requested Dalian Kaisa to bear the obligations under the guarantee.</p>	<p>In response to the notices, objections were filed by the relevant member(s) of the Group with the relevant PRC court that the case should be transferred to a court having jurisdiction as the amount involved in such case has exceeded the jurisdiction of the relevant PRC court that has issued the notice. As at the date hereof, the results of which are still pending.</p>
5.	<p>Notice from the relevant PRC court was served on Kaisa Shenzhen, ordering it to appear as a defendant in the hearing of a case on 5 May 2015.</p>	<p>The case is related to dispute in relation to the loan agreement entered into, among others, among 佳兆業新都置業(青島)有限公司 (Kaisa Xindu Zhiye (Qingdao) Co., Ltd*) (“Kaisa Xindu”), Kaisa Shenzhen and Qingdao Branch of CEB. Qingdao Branch of CEB alleged the breach by Kaisa Xindu and requested for the repayment of the principal amount of RMB60 million (equivalent to approximately HK\$75.83 million) together with the interests and the relevant costs and requested Kaisa Shenzhen to bear the responsibilities on a joint basis and alleged to have the priority on the assets which are subject to the pledge.</p>	

No.	Notice	Particulars of the cases	Action taken by the Group
6.	Notice from the relevant PRC court was served on Kaisa Shenzhen, ordering it to appear as a defendant in the hearing of a case on 5 May 2015.	<p>The case is related to dispute in relation to the loan agreement entered into, among others, among Kaisa Xindu, Kaisa Shenzhen and Qingdao Branch of CEB. Qingdao Branch of CEB alleged the breach by Kaisa Xindu and requested for the repayment of the principal amount of RMB53.99 million (equivalent to approximately HK\$68.23 million) together with the interests and the relevant costs and requested Kaisa Shenzhen to bear the responsibilities on a joint basis and alleged to have the priority on the assets which are subject to the pledge.</p>	
7.	Notice from the relevant PRC court was served on Kaisa Shenzhen, ordering it to appear as a defendant in the hearing of a case on 5 May 2015.	<p>The case is related to dispute in relation to the loan agreement entered into, among others, among Kaisa Xindu, Kaisa Shenzhen and Qingdao Branch of CEB. Qingdao Branch of CEB alleged the breach by Kaisa Xindu and requested for the repayment of the principal amount of RMB99.20 million (equivalent to approximately HK\$125.37 million) together with the interests and the relevant costs and requested Kaisa Shenzhen to bear the responsibilities on a joint basis and alleged to have the priority on the assets which are subject to the pledge.</p>	
8.	Notice from the relevant PRC court was served on Kaisa Shenzhen, ordering it to appear as a defendant in the hearing of a case on 5 May 2015.	<p>The case is related to dispute in relation to the loan agreement entered into, among others, among Kaisa Xindu, Kaisa Shenzhen and Qingdao Branch of CEB. Qingdao Branch of CEB alleged the breach by Kaisa Xindu and requested for the repayment of the principal amount of RMB55.61 million (equivalent to approximately HK\$70.28 million) together with the interests and the relevant costs and requested Kaisa Shenzhen to bear the responsibilities on a joint basis and alleged to have the priority on the assets which are subject to the pledge.</p>	



For the details of the other 26 notices of participation to action, please refer to the announcement of the Company dated 13 March 2015.

Out of the 60 notices, the remaining 26 notices of participation to action are related to dispute over, among other things, the purchase contracts and processing contracts, with an aggregate contractual sum of approximately RMB23.29 million (equivalent to approximately HK\$29.43 million).

**Shareholders, holders of other securities of the Company and potential investors in the securities of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

*For illustration purpose, amounts in RMB in this announcement have been translated to HK\$ at HK\$1.00 = RMB0.79127.*

9 April 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.*

*All directors of the Company jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*