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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF 17.7% OF NAM TAI PROPERTY INC.**

On 11 July 2017 (after trading hours), the Purchaser and the Vendors entered into the Agreement in relation to the Acquisition.

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **THE ACQUISITION**

On 11 July 2017 (after trading hours), the Purchaser and the Vendors entered into the Agreement in relation to the Acquisition. The principal terms of the Agreement are set out below.

**Date:** 11 July 2017

**Parties:**

**Purchaser:** Greater Sail Limited, which is an indirect wholly owned subsidiary of the Company

**Sellers:** the First Vendor and the Second Vendor

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiry, each of the First Vendor and the Second Vendor is a third party independent of the Company and connected persons of the Company.

## **Subject matter**

6,504,355 Target Shares, comprising (i) 6,344,355 Target Shares which are held by the Vendors as at the date of the Agreement; and (ii) 160,000 Target Shares which will be acquired by the Vendors within 30 days of the date of the Agreement upon the exercise of their share options of the Target Company.

The 6,504,355 Target Shares represent 17.7% of the issued shares of the Target Company enlarged by the exercise of the share options of the Target Company.

## **Consideration**

The aggregate consideration for the Target Shares is US\$110,574,035, which will be settled in cash upon Completion.

The Purchaser has paid a refundable deposit (the “**Deposit**”) of RMB10,000,000 to the Vendors. The Deposit will be used to settle part of the consideration at the exchange rate published by the People’s Bank of China as of the Completion Date.

The Deposit is refundable to the Purchaser upon (i) mutual agreement between the parties to terminate the Agreement; or (ii) the condition i under the paragraph “Conditions precedent” below is not satisfied.

The consideration for the Acquisition was determined by the parties after arm’s length negotiations with reference to (i) the valuation of the Land; and (ii) the redevelopment prospects of the Land. The board of the Company considers that the consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **Conditions precedent**

Completion will take place on the Completion Date. Completion is conditional upon satisfaction or waiver of certain conditions, including among others:

- i. completion of satisfactory due diligence; and
- ii. no stop order or suspension of trading shall have been imposed by NYSE, the SEC or any other governmental authority with respect to public trading in the Target Shares.

In the event that Completion fails to occur on or before 11 August 2017 as a result of failure of the Vendors to satisfy their obligations under the Agreement, the Vendors shall refund the Deposit to the Purchaser and shall pay to the Purchaser a penalty payment in the amount of RMB10,000,000.

## **Director nominee**

After Completion, the First Vendor and the Purchaser intend to discuss the appointment of a designee or designees of the Purchaser as a director or directors of the board of the Target Company subject to the approval of the board of the Target Company or at the annual general meeting of the Target Company, as appropriate.

## REASONS AND BENEFITS OF THE ACQUISITION

The Purchaser is an indirect wholly owned subsidiary of the Company principally engaged in investment holding. The Company is an investment holding company, and its subsidiaries are principally engaged in property development, property investment and property management, and hotel and catering operations in the PRC.

The Target Company is a company incorporated in the British Virgin Islands and listed on the NYSE. It is principally engaged in real estate development and management.

The principal asset of the Target Company is the Land, which originally housed the Target Company's manufacturing facilities. The Target Company plans to develop the Land into a research and development park. The associated construction permits applications are proceeding smoothly and the progresses are within the Target Company's planned schedule. The board of the Company considers that the Land has huge development potential and the development of the Land into research and development park will generate future rental income for the Target Company. The Company considers that the strategy to acquire the interests in the Target Company aligns with its existing businesses and will create sustainable returns for the Shareholders.

The board of the Company considers that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and normal commercial terms and that the entering into of the Agreement is in the interest of the Company and the Shareholders as a whole.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

The net assets of the Target Company as at 31 December 2015 and 31 December 2016 were US\$265,565,000 and US\$236,346,000 respectively.

The net loss before and after tax of the Target Company for the two financial years ended 31 December 2015 and 31 December 2016 were as follows:

	<b>Year Ended 31 December 2015 (US\$)</b>	<b>Year Ended 31 December 2016 (US\$)</b>
Net loss before tax	13,158,000	9,534,000
Net loss after tax	13,158,000	9,534,000

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Target Shares by the Purchaser
“Agreement”	the agreement dated 11 July 2017 entered into between the Purchaser and the Vendors in relation to the Acquisition
“Company”	Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司*), a company incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition
“Completion Date”	as soon as possible following the satisfaction or waiver of the conditions of the Acquisition and shall not be later than 11 August 2017
“Deposit”	has the meaning ascribed to it under the paragraph headed “Consideration” of this announcement
“First Vendor”	Mr. Koo Ming Kown
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land”	two parcels of adjacent land of 26,313.3 square meters (Parcel No.: A116-0006) and 26,313.9 square meters (Parcel No.: A116-0018) and one parcel of land of 103,739.07 square meters (Parcel No.: A614-0489) located in Bao’an District, Shenzhen City, Guangdong Province The PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NYSE”	New York Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Purchaser”	Greater Sail Limited, a company incorporated in the British Virgin Islands with limited liability

“SEC”	Securities and Exchange Commission of the United States of America
“Second Vendor”	Ms. Cho Sui Sin
“Shares”	the ordinary shares of par value of HK\$0.1 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Nam Tai Property Inc., a company incorporated in the British Virgin Islands, the common shares of which are listed and traded on the NYSE under the symbol NTP
“Target Shares”	common shares, par value US\$0.01 each of the Target Company
“US\$”	United States dollar, the lawful currency of the United States of America
“Vendors”	the First Vendor and the Second Vendor
“%”	means per cent.

By Order of the Board  
**KAISA GROUP HOLDINGS LTD.**  
**Kwok Ying Shing**  
*Chairman and Executive Director*

Hong Kong, 11 July 2017

*As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Sun Yuenan, Mr. Zheng Yi, Mr. Yu Jianqing and Mr. Mai Fan; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao, Mr. Rao Yong and Mr. Liu Xuesheng.*

\* *For identification purposes only*