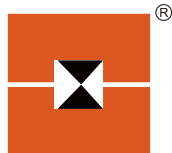


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KAISA GROUP HOLDINGS LTD.

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 GROUP AND RESUMPTION OF TRADING

This announcement is made by Kaisa Group Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 announcement of the Company dated 4 December 2014 (the “**Announcement**”). Unless otherwise stated, terms used in this announcement shall have the same meaning as defined in the Announcement.

The Company would like to provide an update on the recent developments of the Group as follows:

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. 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 the date of this announcement, the processing and filing of the sale and purchase agreements for certain unsold units in these four property projects are blocked (the “**Blockage**”).

As at the date of this announcement, the Company has not received any notification in respect of the Blockage from the Relevant Authority despite the Company having made enquiry with the Relevant Authority. The Company will continue to communicate with the Relevant Authority with an aim to remove the Blockage.

* *For identification purposes only*

The Company is of the view that the Blockage will have an adverse impact on the cash flow of the Group. As at the date of this announcement and save as disclosed in this announcement, the Company is not aware of any of its other property projects which is subject to blockage of a similar nature.

The following table summarizes the status of the above property projects according to the search last conducted by the Company before the publication of this announcement:

Property project	Total gross floor area (“GFA”) of the property project (square meters (“sq. m.”)) <i>(Note 1)</i>	Total approximate GFA subject to the Blockage (sq. m.)	Type of property subject to the Blockage	Date on which the Company first became aware of the Blockage
Shenzhen Dapeng Kaisa Peninsula Resort (深圳佳兆業大鵬假日廣場)	130,520	51,076	Residential and commercial	28 November 2014 <i>(Note 2)</i>
Shenzhen Kaisa Yuefeng Garden (深圳佳兆業悅峰花園)	119,725	20,782	Residential and commercial	28 November 2014
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	Residential and commercial	28 November 2014
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	Residential	15 December 2014
Total	1,429,538	217,870		

Note:

1. Data as at 30 June 2014.
2. The property project was subject to the Blockage on 28 November 2014. The relevant Blockage was lifted on 2 December 2014 and reimposed on 3 December 2014.

UNSOLD UNITS OF COMPLETED PROPERTY PROJECTS

The Company has conducted searches at the Shenzhen Urban Planning and Land Information System (深圳市房地產信息系統) and 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). According to the results of the searches, the property rights of certain unsold units of three completed property projects of the Group in Shenzhen are subject to the restriction on the registration or filing of any transfer or pledge (the “**Restriction**”) imposed by the relevant PRC regulatory authority.

As at the date of this announcement, the Company has not received any notification in respect of the Restriction from the relevant PRC authority despite the Company having made enquiry with the relevant PRC authority. The Company will continue to communicate with the relevant PRC authority with an aim to remove the Restriction.

The total GFA that is subject to the Restriction is not significant. The Company is of the view that the impact of the Restriction on the Group will be immaterial. As at the date of this announcement and save as disclosed in this announcement, the Company is not aware of any of its completed property projects which is subject to the Restriction.

The following table summarizes the status of the above property projects according to the search last conducted by the Company before the publication of this announcement:

Property project	Total GFA of the property project (sq. m.) <i>(Note 1)</i>	Total approximate GFA subject to the Restriction (sq. m.)	Type of property subject to the Restriction	Date on which the Company first became aware of the Restriction
Shenzhen Mocha Town (深圳可園)	580,135	3,080	Commercial	11 December 2014
Shenzhen Kaisa Metropolitan Homeland (深圳佳兆業新都匯家園)	96,970	646	Residential	28 November 2014 <i>(Note 2)</i>
Shenzhen Shangpin Garden (深圳上品雅園)	231,572	1,753	Commercial	10 December 2014
Total	908,677	5,479		

Note:

1. Data as at 30 June 2014.
2. Also subject to the restriction on obtaining the property ownership certificate for such property imposed by the relevant PRC authority.

PROPERTIES HELD FOR RENTAL AND SELF-USE

The Company has conducted searches at the Shenzhen Urban Planning and Land Information System (深圳市房地產信息系統) and 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). According to the results of the searches, the property rights of certain units of three property projects in Shenzhen which are held for rental and/or self-use of the Group are subject to the Restriction.

As at the date of this announcement, the Company has not received any notification in respect of the Restriction from the relevant PRC authority despite the Company having made enquiry with the relevant PRC authority. The Company will continue to communicate with the relevant PRC authority with an aim to remove the Restriction.

The above properties are intended for rental or self-use, and so not affected by the Restriction in respect of transfer. Shenzhen Woodland Height (深圳桂芳園) and Shenzhen Kaisa Centre (深圳佳兆業中心) have already been pledged for financing, and are therefore not affected by the Restriction in respect of pledge. There will be an adverse impact on the Group if further financing is required for Shenzhen Metropolitan Homeland (深圳佳兆業新都匯家園). As at the date of this announcement and save as disclosed in this announcement, the Company is not aware of any of its other properties that are held for rental or self-use are subject to the Restriction.

The following table summarizes the status of the above property projects according to the search last conducted by the Company before the publication of this announcement:

Property project	Total GFA of the property project (sq. m.) <i>(Note 1)</i>	Total approximate GFA subject to the Restriction (sq. m.)	Type of property subject to the Restriction	Date on which the Company first became aware of the Restriction
Properties held for rental				
Shenzhen Woodland Height (深圳桂芳園)	580,135	21,033	Commercial	11 December 2014
Shenzhen Kaisa Metropolitan Homeland (深圳佳兆業新都匯家園)	96,970	17,299 <i>(Note 2 & 3)</i>	Commercial	28 November 2014
Properties held for rental and self-use				
Shenzhen Kaisa Center (深圳佳兆業中心)	98,251	22,819	Commercial	11 December 2014
Total	775,356	61,151		

Note:

1. Data as at 30 June 2014.
2. Not yet commenced operation.
3. Also subject to the restriction on obtaining the property ownership certificate for such property imposed by the relevant PRC authority.

PROPERTIES UNDER DEVELOPMENT AND HELD FOR FUTURE DEVELOPMENT

As at the date of this announcement, the Group has eight property projects in Shenzhen which are under development and held for future development. The Company became aware that the routine applications for licences, permits, approvals, registrations and filings that are necessary during the different stages of development of these eight properties have not been accepted by the relevant PRC authority (“the **Non-acceptance**”) on the dates mentioned below. The Non-acceptance could cause delay in the development of these property projects.

On 5 December 2014, the Company received a notification dated 1 December 2014 from the relevant PRC authority situated in Longgang District that it had suspended the processing of all planning-related and state-owned land-related applications and approval procedures of all construction projects of the Group situated in Longgang District (the “**Suspension**”). Two of the above eight projects are located in Longgang District.

As at the date of this announcement and save as disclosed in this announcement, the Company has not received any other notification in respect of the Non-acceptance from the relevant PRC authority despite the Company having made enquiry with the relevant PRC authority. The Company will continue to communicate with the relevant PRC authority with an aim to remove the Non-acceptance and the Suspension.

The Company is of the view that the Non-acceptance and the Suspension will have no immediate material adverse impact on the Group. As at the date of this announcement and save as disclosed in this announcement, the Company is not aware of any of its other similar property projects which are subject to the Non-acceptance.

The following table summarizes the status of the above property projects according to the search last conducted by the Company before the publication of this announcement:

Property project	Total GFA of the property project (sq. m.) (Note 1)	Total approximate GFA subject to the Non-acceptance (sq. m.)	Date on which the Company first became aware of the Non-acceptance	Original estimated completion date of the property project (Note 1)
Shenzhen Kaisa Global Center (深圳佳兆業環球中心)	142,000	142,000	4 December 2014	2018
Shenzhen Kaisa Central Plaza (深圳佳兆業中央廣場) (also known as Shenzhen Kaisa City Plaza (深圳佳兆業城市廣場))	973,600	756,174	28 November 2014	2015 (Phase 2) (Note 2)
Shenzhen Dapeng Kaisa Peninsula Resort (深圳佳兆業大鵬假日廣場)	130,520	130,520	3 December 2014	2014 (Note 3)
Shenzhen Kaisa Yuefeng Garden (深圳佳兆業悅峰花園)	119,725	119,725	27 November 2014	2015 (Phase 2) (Notes 2 & 4)
Shenzhen Dapeng Xiasha Project (深圳大鵬下沙項目)	466,130	466,130	2 December 2014	2017 (Phase 1)
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	205,693	16 December 2014	2014 (Phase 1) (Note 3)
Total	2,037,668	1,820,242		

Notes:

1. Data as at 30 June 2014.
2. Situated in Longgang District.
3. Already obtained 工程竣工驗收備案表 (Record of Acceptance and Examination Upon Project Completion*).
4. Already obtained 工程竣工驗收備案表 (Record of Acceptance and Examination Upon Project Completion*) for Phase 1 with total GFA of approximately 92,898 sq. m..

SHENZHEN YANTIAN PROJECT AND SHENZHEN GOLDEN BAY RESORT HOTEL

The Company became aware that the land use rights of two projects of the Group namely Shenzhen Yantian Project (深圳鹽田項目) and Shenzhen Golden Bay Resort Hotel (深圳金沙灣酒店), are subject to the restriction on the transfer or pledge (the “**Land Use Rights Restrictions**”) by the relevant PRC authority on the dates mentioned below. As these projects are located in Shenzhen and currently under development, they are subject to the Non-acceptance.

As at the date of this announcement and save as disclosed in the announcement, the Company has not received any notification in respect of the Land Use Rights Restrictions and the Non-acceptance from the relevant PRC authority despite the Company having made enquiry with the relevant PRC authority. The Company has no plan to transfer the above projects and obtain further financing for Shenzhen Golden Bay Resort Hotel (深圳金沙灣酒店) in the near future. There will be an adverse impact on the Group if financing is required for Shenzhen Yantian Project (深圳鹽田項目) in the future. As at the date of this announcement and save as disclosed in this announcement, the Company is not aware of any of its other similar property projects which are subject to the Land Use Rights Restrictions or the Non-acceptance.

The following table summarizes the status of the above property projects according to the search last conducted by the Company before the publication of this announcement:

Property project	Total approximate GFA subject to the Land Use Rights Restrictions and/or the Non- acceptance (sq. m.) (Note 1)	Total GFA of the property project (sq. m.) (Note 1)	Type of property subject to the Land Use Rights Restrictions and/or the Non-acceptance	Date on which the Company first became aware of the Land Use Rights Restrictions and/or the Non-acceptance	Original estimated completion date of the property project (Note 1)
Shenzhen Yantian Project (深圳鹽田項目)	450,246	450,246	Residential and commercial	19 December 2014 (for the Land Use Rights Restriction) (Note 1)	2015 (Phase 1)
				1 December 2014 (for the Non- acceptance)	
Shenzhen Golden Bay Resort Hotel (深圳金沙灣酒店)	41,700	41,700	Hotel	10 December 2014 (for the Land Use Rights Restriction and the Non- acceptance) (Note 2)	2017
Total	<u>491,946</u>	<u>491,946</u>			

Note:

1. The Land Use Rights Restriction took effect on 17 December 2014.
2. The Land Use Rights Restriction took effect on 28 November 2014.

URBAN REDEVELOPMENT PROJECT PIPELINES

The Group's urban redevelopment project pipelines in Longgang District are subject to the Suspension. As the land involved in the project is not included in the land bank of the Group, the Company is of the view that the Suspension will have no immediate material adverse impact on the operation of the Group.

TWO SHENZHEN SUBSIDIARIES

The Company made an enquiry with the relevant PRC authority on 4 December 2014 and became aware that the transfer in the equity interests in two of the Group's subsidiaries established in Shenzhen, namely Kaisa Group (Shenzhen) Co., Ltd. (佳兆業集團(深圳)有限公司) (“**Kaisa Shenzhen**”) and Jinsheng Engineering Management Consulting (Shenzhen) Co., Ltd. (今盛工程管理諮詢(深圳)有限公司) (formerly known as Kaisa Technology (Shenzhen) Co., Ltd (佳兆業科技(深圳)有限公司), is subject to restriction (the “**Transfer Restriction**”).

As at the date of this announcement, the Company has not received any notification from the relevant PRC authority in respect of the Transfer Restriction despite the Company having made enquiry with the relevant PRC authority. The Company will continue to communicate with the relevant PRC authority with an aim to remove the Transfer Restriction.

Since the Group has no intention to transfer the equity interests of these two subsidiaries in the near future, the Company is of the view that the Transfer Restriction will have no material adverse impact to the operation of the Group. As at the date of this announcement and save as disclosed in the announcement, the Company is not aware of any of its other subsidiaries which is subject to the Transfer Restriction.

RENEWAL OF THE NATIONAL FIRST CLASS CERTIFICATE BY KAISA SHENZHEN

On 8 December 2014, Kaisa Shenzhen applied for the renewal of the National First Class Certificate (一級資質證書) and became aware that the processing of the renewal of such certificate has been suspended (the “**Renewal Suspension**”) by the relevant PRC authority. The Company approached the relevant PRC authority on several occasions but to no avail. If the Group fails to renew such certificate, the Group will be unable to acquire land or projects which require the qualification of the National First Class Certificate (一級資質證書).

Since the beginning of 2013, among all the lands and projects acquired by the Group, only one of them required the qualification of the National First Class Certificate (一級資質證書). The Company is therefore of the view that the Renewal Suspension will have minimal impact on the operation of the Group. To finance the construction of the property projects in the PRC, the qualification of National Second Class Certificate (二級資質證書) or above is required. The Renewal Suspension will impair the Company's ability to secure financing for the projects held by Kaisa Shenzhen. To address the issue, when necessary, the Company intends to transfer the equity interests of these projects under Kaisa Shenzhen to its other subsidiaries that hold the National Second Class Certificate (二級資質證書). As at the date of this announcement, the Company has two other subsidiaries that hold the National Second Class Certificate (二級資質證書) and five other subsidiaries that hold the Provisional National Second Class Certificate (暫定二級資質證書). The Company will apply for the National Second Class Certificates (二級資質證書) for these five subsidiaries where necessary.

As at the date of this announcement, the Company has not received any notification in respect of the Renewal Suspension from the relevant PRC authority despite the Company having made enquiry with the relevant PRC authority. The Company will continue to communicate with the relevant PRC authority with an aim to renew Kaisa Shenzhen's National First Class Certificate as soon as practicable.

The Company will publish an announcement should there be any further update on the recent developments of the Group mentioned above.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 16 December 2014 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 22 December 2014.

By order of the Board of
KAISA GROUP HOLDINGS LTD.
Kwok Ying Shing
Executive Director

21 December 2014

As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Kwok Ying Chi, Mr. Sun Yuenan, Mr. Ye Lieli, Mr. Lei Fugui, Dr. Tam Lai Ling and Mr. Jin Zhigang; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao, Mr. Rao Yong and Mr. Fok Hei Yu.