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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 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, 1 January, 6 January, 12 January, 16 January, 9 February, 11 February, 16 February, 8 March, 13 March, 9 April, 18 September, 29 October and 12 November 2015, and 26 January, 26 February, 24 March and 26 April 2016, respectively (the “**Announcements**”). Terms defined in the Announcements shall bear the same meaning in this announcement.

(a) UPDATE ON BUSINESS

The Group recorded total contracted sales of approximately RMB2,918 million in April 2016 with total contracted GFA of approximately 252,720 sq.m. and the ASP of RMB11,545 per sq.m.

	GFA sold <i>(sq.m.)</i>	ASP <i>(RMB per sq.m.)</i>
Tier I cities		
Shenzhen	5,710	52,268
Guangzhou	8,412	24,065
Shanghai	5,760	16,315

	GFA sold <i>(sq.m.)</i>	ASP <i>(RMB per sq.m.)</i>
Tier II and III cities		
The Central China Region	26,336	8,035
The Pan-Bohai Bay Rim	25,121	5,085
The Western China Region	23,415	6,227
The Yangtze River Delta	38,611	14,515
The Pearl River Delta	119,355	10,701
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Total	252,720	11,545
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The total contracted sales of the Group for the four months ended 30 April 2016 amounted to approximately RMB8,831 million with total contracted GFA of approximately 645,169 sq.m. and the ASP of RMB13,688 per sq.m.

Properties in Shenzhen

The Group has four property projects under pre-sale in Shenzhen. As at 26 May 2016, 43,755 sq. m., involving a total of 779 units, were subject to the Seizure by PRC local courts upon the application of the Group's creditors, and therefore they are not available for sale. A total of 4,014 sq. m. GFA, involving a total of 70 units, remain subject to the Blockage. The following provides a breakdown of the Blockage and the Seizure by project:

Property project	Total GFA of the property project <i>(sq. m.)</i> <i>(Notes 1 and 3)</i>	Total approximate GFA subject to the Blockage as at 26 April 2016 <i>(sq. m.)</i>	Total approximate GFA subject to the Seizure as at 26 April 2016 <i>(sq. m.)</i> <i>(Notes 3)</i>	Total approximate GFA subject to the Blockage as at 26 May 2016 <i>(sq. m.)</i>	Total approximate GFA subject to the Seizure as at 26 May 2016 <i>(sq. m.)</i> <i>(Notes 3)</i>	Type of property
Shenzhen Dapeng Kaisa Peninsula Resort (深圳佳兆業大鵬假日廣場) (Note 2)	130,520	4,014	43,755	4,014	43,755	Residential and commercial
Shenzhen Kaisa Yuefeng Garden (深圳佳兆業悅峰花園)	119,725	15,167	5,795	-	-	Residential and commercial
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	10,355	-	-	-	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	1,720	12,073	-	-	Residential
Total	<hr/> 1,429,538	<hr/> 31,256	<hr/> 61,623	<hr/> 4,014	<hr/> 43,755	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	

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.

The Blockages and Seizures on Shenzhen Kaisa Yuefeng Garden, Shenzhen Kaisa Central Plaza and Shenzhen Shanghai Meiyu Garden have been lifted.

The Group is in active discussion with the creditors, with an aim to resume sales of Shenzhen Dapeng Kaisa Peninsula Resort as soon as possible.

(b) ONSHORE LIABILITIES

As at 26 May 2016, the Group's onshore liabilities in the amount of approximately RMB43.54 billion (25 April 2016: RMB43.25 billion), including approximately RMB16.60 billion granted by China CITIC Bank Corporation Limited and CITIC Trust Co., Ltd. (collectively known as "CITIC") to the Group for the restructuring, had been restructured upon completion of relevant registration procedures. Meanwhile, as advised by institutions including CITIC, they will continue to provide financing to the Group in support of the Group's business development. Upon the restructuring, the related court/arbitration/enforcement proceedings has been or are to be withdrawn. The table below summarises (i) the applications in relation to the preservation of assets of the Group filed by the Group's onshore creditors with the relevant PRC courts (the "Applications"); and (ii) subsequent civil rulings (民事裁定書) and notices of participation to action (應訴通知書) received by the Group after the Applications.

	As at 25 April 2016	As at 26 May 2016
1. Applications	33 applications	29 applications
2. Civil rulings received out of the Applications	12 rulings	11 rulings
3. Aggregate contractual sum in dispute under the civil rulings	Approximately RMB6,966 million (equivalent to approximately HK\$8,266 million)	Approximately RMB5,966 million (equivalent to approximately HK\$7,080 million)

	As at 25 April 2016	As at 26 May 2016
4. Notices of participation to action received out of the Applications	22 notices	14 notices
5. Aggregate contractual sum in dispute under the notices of participation to action ^(Note)	Approximately RMB11,033 million (equivalent to approximately HK\$13,092 million)	Approximately RMB5,131 million (equivalent to approximately HK\$6,089 million)

Note: The aggregate contractual sum in dispute included some of the Group's onshore liabilities that had been restructured, for which the relevant PRC local courts had not yet issued related notices for the withdrawal of the court proceedings (結案文書).

For illustration purpose, amounts in RMB in this announcement have been translated to HK\$ at HK\$1.00 = RMB0.8427.

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

27 May 2016

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. Lei Fugui; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao and Mr. Rao Yong.

* *For identification purposes only*