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KAI SHI CHINA HOLDINGS COMPANY LIMITED

開世中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1281)

PROFIT WARNING

This announcement is made by Kai Shi China Holdings Company Limited (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 (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the unaudited management accounts of the Group for the six months ended 30 June 2014, the Group expects to record a net loss for the six months ended 30 June 2014. Such estimated loss is primarily attributable to the decrease in fair value of the investment properties of the Group as a result of the negative impact of the downturn of the property market in Lvshunkou District, Dalian, the People’s Republic of China (the “**PRC**”) in the first half of 2014, in particular, the decrease in selling prices of properties in the District, on the sales of properties of the Group.

As the Company is still in the process of finalising the unaudited interim results of the Group for the six months ended 30 June 2014, the information contained in this announcement is only a preliminary assessment by the Board based on the figures and information currently available, and which have not been audited or reviewed by the Company’s auditor and the audit committee of the Company. The Company expects to announce its unaudited interim results for the six months ended 30 June 2014 before early August 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kai Shi China Holdings Company Limited
Kai Chenglian
Chairman

Dalian, the PRC, 9 July 2014

As at the date of this announcement, the executive Directors are Mr. Kai Chenglian, Mr. Kai Xiaojiang, Ms. Jiang Shuxia and Ms. Han Liping and the independent non-executive Directors are Ms. Yang Jing, Mr. Li Fook Wing and Ms. Sun Huijun.