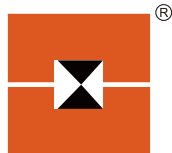


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## **KAISA GROUP HOLDINGS LTD.**

**佳兆業集團控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1638)**

### **CONNECTED TRANSACTION FORMATION OF A JOINT VENTURE COMPANY**

The Board announces that on 15 April 2013, Jie Feng Investment, an indirect wholly-owned subsidiary of the Company and Fulbright Overseas have entered into the Framework Agreement for the formation of the Joint Venture to participate in the auction and/or tender of land in the Zone for development of property projects.

Fulbright Overseas is a wholly-owned subsidiary of Fulbright Group. Since Fulbright Group is owned in equal shares by Mr. Kwok Ying Shing, an executive director, the chairman and a controlling shareholder of the Company, Mr. Kwok Ying Chi, an executive director and a controlling shareholder of the Company and Mr. Kwok Chun Wai, a controlling shareholder of the Company, Fulbright Overseas is therefore a connected person of the Company. Accordingly, the formation of the Joint Venture constitutes a connected transaction for the Company for the purpose of the Listing Rules.

As the applicable ratios in respect of the capital committed to the formation of the Joint Venture are more than 0.1% but less than 5%, the formation of the Joint Venture is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**As the auction and/or tender of land in the Zone by the Joint Venture may or may not be successful, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.**

\* For identification purposes only

## **THE FRAMEWORK AGREEMENT**

**Date:** 15 April 2013

### **Parties to the Framework Agreement:**

- (1) Jie Feng Investment, an indirect wholly-owned subsidiary of the Company and is an investment holding company.
- (2) Fulbright Overseas, a wholly-owned subsidiary of Fulbright Group and an investment holding company. Since Fulbright Group is owned in equal shares by Mr. Kwok Ying Shing, an executive director, the chairman and a controlling shareholder of the Company, Mr. Kwok Ying Chi, an executive director and a controlling shareholder of the Company and Mr. Kwok Chun Wai, a controlling shareholder of the Company, Fulbright Overseas is therefore a connected person of the Company.

### **Formation of the Joint Venture**

Jie Feng Investment and Fulbright Overseas have entered into the Framework Agreement to establish the Joint Venture in Qianhai, the PRC, to participate in the auction and/or tender of land in the Zone for development of property projects. If the Joint Venture is successful in the auction and/or tender of land in the Zone, Jie Feng Investment shall contribute in the construction, development, operation, maintenance and management of the property projects by the Joint venture and Fulbright Overseas shall contribute in the commencement and operation of financial business of the Joint Venture.

### **Registered capital of the Joint Venture**

Pursuant to the terms of the Framework Agreement, the registered capital of the Joint Venture is RMB500 million (equivalent to approximately HK\$619.58 million), and will be held directly or indirectly (through the intermediate holding companies to be jointly established by Jie Feng Investment and Fulbright Overseas in the proportion of 51:49) as to 51% by the Jie Feng Investment and as to 49% by Fulbright Overseas.

The registered capital of RMB500 million (equivalent to approximately HK\$619.58 million) will be used for auction and/or tender of land in the Zone for development of property projects and will be contributed by the parties in proportion to their respective equity interest in the Joint Venture. The registered capital of the Joint Venture was determined after arm's length negotiations between the parties and is based on the funding requirements to make the Joint Venture operational. The capital contribution of Jie Feng Investment in the amount of RMB255 million (equivalent to approximately HK\$315.99 million) to the registered capital of the Joint Venture will be satisfied by the internal resources of the Group.

If the Joint Venture is not successful in the auction and/or tender of land in the Zone, the registered capital of the Joint Venture will be reduced and will be distributed to the parties to the Joint Venture in proportion to the capital contributed by them after completion of applicable legal procedures in connection with the deduction of the registered capital under PRC laws and regulations.

## **Board of directors of the Joint Venture**

The board of directors of the Joint Venture will comprise of three directors. Jie Feng Investment will have the right to appoint two directors and Fulbright Overseas will have the right to appoint one director. Jie Feng Investment will appoint the general manager and the legal representative of the Joint Venture and Fulbright Overseas will appoint the supervisor of the Joint Venture. The Joint Venture will be accounted for as a subsidiary of the Company and its accounts will be consolidated into the financial statements of the Company.

## **INFORMATION OF THE COMPANY, JIE FENG INVESTMENT, FULBRIGHT GROUP AND FULBRIGHT OVERSEAS**

The Company is one of the leading property developers in the PRC and is principally engaged in the development of large-scale residential properties and integrated commercial properties in the PRC. Jie Feng Investment is an indirect wholly-owned subsidiary of the Company and an investment holding company.

Fulbright Overseas is a company established in the British Virgin Islands and an investment holding company. Fulbright Overseas is a wholly-owned subsidiary of Fulbright Group and is principally engaged in property investment in the PRC. Fulbright Group is principally engaged in financial business in Hong Kong and the PRC.

## **REASONS FOR THE TRANSACTION**

Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone is situated in the west of Shenzhen and at the Pearl River Delta, the PRC with a total area of about 15 square kilometers. With the unique advantages of being adjacent to Hong Kong and Macau, the Zone is targeted to be developed as an area for modern service industries. The Zone is currently inviting investors with financial, logistics, information technology, technology services and other professional service background to invest in the Zone in which the local PRC government would provide financial and tax preferential incentives for qualified investors in the Zone.

With the background of Fulbright Group, the Group may be able to participate in the auction and/or tender of land in the Zone for development of property projects through the formation of the Joint Venture with Fulbright Overseas. The joint venture parties will utilize their own experiences and cooperate in the development of property projects in the Zone.

The Directors (including the independent non-executive Directors) consider that the formation of the Joint Venture by Jie Feng Investment with Fulbright Overseas is beneficial to the development of the Group by consolidating the Group's market position in Shenzhen and Pearl River Delta, the PRC and is being carried out in the ordinary and normal course of business of the Company, under normal commercial terms, and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## GENERAL

Fulbright Overseas is a wholly-owned subsidiary of Fulbright Group. Since Fulbright Group is owned in equal shares by Mr. Kwok Ying Shing, an executive director, the chairman and the controlling shareholder of the Company, Mr. Kwok Ying Chi, an executive director and the controlling shareholder of the Company and Mr. Kwok Chun Wai, a controlling shareholder of the Company, Fulbright Overseas is therefore a connected person of the Company. Accordingly, the formation of the Joint Venture constitutes a connected transaction for the Company for the purpose of the Listing Rules.

Since Mr. Kwok Ying Shing and Mr. Kwok Ying Chi have material interests in the transaction, they have abstained from voting for the Board resolution to approve the formation of the Joint Venture.

As the applicable ratios in respect of the capital committed to the establishment of the Joint Venture are more than 0.1% but less than 5%, the formation of the Joint Venture is subject to the reporting and announcement requirements but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

**As the auction and/or tender of land in the Zone by the Joint Venture may or may not be successful, shareholders and public investors are advised to exercise caution when dealing in the shares of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Company”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Framework Agreement”	the strategic cooperation framework agreement dated 15 April 2013 entered into between Jie Feng Investment and Fulbright Overseas in relation to the formation of the Joint Venture;
“Fulbright Group”	Fulbright Financial Group Limited, a company incorporated in the British Virgin Islands with limited liability and is owned in equal shares by Mr. Kwok Ying Shing, an executive director, the chairman and a controlling shareholder of the Company, Mr. Kwok Ying Chi, an executive director and a controlling shareholder of the Company and Mr. Kwok Chun Wai, a controlling shareholder of the Company;

“Fulbright Overseas”	Fulbright Financial Group (Overseas) Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of Fulbright Group;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Jie Feng Investment”	Jie Feng Investment Company Limited, a company incorporated in the British Virgin Islands and is an indirect wholly-owned subsidiary of the Company;
“Joint Venture”	a joint venture company to be established in the PRC pursuant to the Framework Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China and, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Zone”	Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (前海深港現代服務業合作區).

*For the purpose of this announcement, the exchange rate of RMB0.807 = HK\$1.00 has been used for currency translation. Such exchange rates are for illustration purposes and do not constitute representations that any amount in RMB or HK\$ have been, could have been or may be converted at such rates.*

By Order of the Board  
**Kaisa Group Holdings Ltd.**  
**Kwok Ying Shing**  
*Chairman and Executive Director*

Hong Kong, 15 April 2013

*As at the date of this announcement, the executive directors of the Company are Mr. Kwok Ying Shing, Mr. Kwok Ying Chi, Mr. Sun Yuenan, Dr. Tam Lai Ling, Mr. Chen Gengxian and Mr. Jin Zhigang, and the independent non-executive directors of the Company are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu.*