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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

FINANCIAL HIGHLIGHTS

- Total revenue surged 205.0% to RMB7,016.1 million
- Gross profit surged 130.5% to RMB2,555.5 million
- Core net profit (excluding one-off prepayment expenses of offshore debts, exchange difference, change in fair value of investment properties and financial derivatives net of tax impact) increased by 195.1% to RMB1,092.7 million
- Profit attributable to equity owners increased by 51.8% to RMB1,024.6 million and net profit increased by 49.1% to RMB1,004.4 million, respectively
- Contracted sales and average selling price increased by 70.7% and 58.0%, to RMB11,021.5 million and RMB9,253 per sq.m., respectively

* *for identification purpose only*

INTERIM RESULTS

The board of directors (the "**Board**") of Kaisa Group Holdings Ltd. ("**Kaisa**" or the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2013, together with the comparative figures for the corresponding period in 2012.

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2013** *RMB'000*	Audited 31 December 2012 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**521,847**	307,948
Investment properties		**8,831,835**	7,539,500
Land use rights		**153,994**	60,485
Deferred income tax assets		**297,622**	208,941
		9,805,298	8,116,874
Current assets			
Properties under development		**37,835,703**	31,670,226
Completed properties held for sale		**4,499,681**	3,169,518
Debtors, deposits and other receivables	*3*	**9,914,368**	5,843,114
Prepayments for proposed development projects		**4,123,396**	3,608,772
Prepaid taxes		**318,744**	191,806
Restricted cash		**577,377**	669,784
Cash and cash equivalents		**5,597,313**	4,682,502
		62,866,582	49,835,722
Total assets		**72,671,880**	57,952,596
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**432,924**	432,246
Share premium		**3,835,111**	3,817,526
Reserves		**11,155,224**	10,100,417
		15,423,259	14,350,189
Non-controlling interests		**872,228**	703,994
Total equity		**16,295,487**	15,054,183

	Note	Unaudited 30 June 2013 RMB'000	Audited 31 December 2012 RMB'000
LIABILITIES			
Non-current liabilities			
Borrowings		**15,942,913**	12,257,358
Financial derivatives		**–**	59,084
Deferred income tax liabilities		**1,188,939**	1,143,247
		17,131,852	13,459,689
Current liabilities			
Advance proceeds received from customers		**19,551,871**	13,878,568
Advance deposits received		**6,243,479**	3,365,279
Accrued construction costs		**5,764,652**	5,414,517
Income tax payable		**1,917,578**	1,480,732
Borrowings		**3,657,257**	3,150,338
Financial derivatives		**6,908**	–
Other payables		**1,713,062**	1,697,391
Amounts due to non-controlling interests of subsidiaries		**389,734**	451,899
		39,244,541	29,438,724
Total liabilities		**56,376,393**	42,898,413
Total equity and liabilities		**72,671,880**	57,952,596
Net current assets		**23,622,041**	20,396,998
Total assets less current liabilities		**33,427,339**	28,513,872

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
		2013	2012
	Note	***RMB'000***	*RMB'000*
Revenue	*4*	**7,016,075**	2,300,172
Cost of sales		**(4,460,576)**	(1,191,586)
Gross profit		**2,555,499**	1,108,586
Other gains – net		**2,004**	17,408
Selling and marketing costs		**(356,698)**	(232,008)
Administrative expenses		**(406,170)**	(282,740)
Change in fair value of investment properties		**363,910**	423,874
Change in fair value of financial derivatives		**(6,908)**	3,798
Operating profit		**2,151,637**	1,038,918
Share of result from an associate		**–**	(208)
Finance income		**179,547**	10,819
Finance costs		**(566,958)**	(35,389)
Finance costs – net	*5*	**(387,411)**	(24,570)
Profit before income tax		**1,764,226**	1,014,140
Income tax expenses	*6*	**(759,818)**	(340,509)
Profit and total comprehensive income for the period		**1,004,408**	673,631
Profit attributable to:			
Equity holders of the Company		**1,024,624**	674,815
Non-controlling interests		**(20,216)**	(1,184)
		1,004,408	673,631
Earnings per share for profit attributable to equity holders of the Company for the period (expressed in RMB per share)			
– Basic	*7*	**0.209**	0.138
– Diluted	*7*	**0.197**	0.137

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

Kaisa Group Holdings Ltd. (the "**Company**") was incorporated in the Cayman Islands on 2 August 2007 as an exempted company with limited liability under the Companies Law (2009 Revision) (as consolidated and revised from time to time) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. During the period, the Company was engaged in investment holding and the subsidiaries of the Company were principally engaged in the property development, property investment, property management, and hotel and catering operations.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information is presented in Renminbi ("**RMB**"), unless otherwise stated. The condensed consolidated interim financial information was approved by the Board of Directors of the Company for issue on 15 August 2013.

The condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

(a) Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(b) Effect of adopting new standards, amendments to standards and interpretation

The following new standards, amendments to standards and interpretation are mandatory for the Group's financial year beginning on 1 January 2013.

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
HKAS 19 (Revised 2011)	Employee Benefits
HKAS 27 (Revised 2011)	Separate Financial Statements
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures
HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HK (IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Annual Improvement Project	Annual improvements 2009–2011 Cycle

The application of the above new or revised HKFRSs has had no material effect on the Group's results and financial position, except for certain disclosures in respect of amendments to HKAS 1 and HKFRS 13.

(c) New Standards, amendments to standards and interpretation that have been issued but are not effective

The following amendments to standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2013 and have not been early adopted by the Group:

		Effective for the accounting period beginning on or after
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKFRS 9	Financial Instruments	1 January 2015
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities	1 January 2014
HKFRS 7 and HKFRS 9 (Amendment)	Mandatory Effective Date of HKFRS 9 and Transition Disclosures	1 January 2015
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
HK (IFRIC) – Int 21	Levies	1 January 2014

The Group will adopt the above new or revised standards, amendments and interpretations to existing standards as and when they become effective. The Group has already commenced the assessment of the impact to the Group and is not yet in a position to state whether these would have a significant impact on its results of operations and financial position.

3 DEBTORS, DEPOSITS AND OTHER RECEIVABLES

Debtors, deposits and other receivables include trade receivables, other receivables, prepayment for construction costs to third party, prepaid other taxes, and deposits for land acquisitions.

Trade receivables mainly arose from sale of properties. The ageing analysis of trade receivables of the Group by due date is as follows:

	Unaudited 30 June 2013	Audited 31 December 2012
	RMB'000	*RMB'000*
Not yet due *(note i)*	**1,289,108**	1,070,450
Within 90 days *(note ii)*	**94,230**	182,748
91–180 days *(note ii)*	**26,539**	42,824
181–270 days *(note ii)*	**13,738**	–
	1,423,615	1,296,022

Notes:

(i) As at 30 June 2013 and 31 December 2012, the balance of RMB1,289,108,000 and RMB1,070,450,000 represented receivables from sales of commercial properties, properties under development and proposed development projects from independent third parties. These receivable are repayable within one year after the completion of certain legal documents, which is expected to be settled during 2014.

(ii) As at 30 June 2013, the balance primarily represented receivables from sale of residential properties from independent third parties. Generally, no credit terms are granted to these customers. The Group considered the above receivables were past due but not impaired as majority of the balances are due from customers in the process of applying mortgage loans or repaid in according to the repayment schedules. These relate to a number of independent customers for whom there is no recent history of default.

4 REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company. The executive directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The executive directors assess the performance of the single operating segment based on a measure of profit before share of result from an associate, finance income, finance costs and income tax expenses.

The executive directors consider the business from services perspective only. From services perspective, management assesses the performance of sales of properties, rental income, hotel and catering operations and property management services and regards these being the reportable segments. No geographical segment analysis is presented as the majority of the assets and operation of the Group are located in the People's Republic of China (the "**PRC**"), which is considered as one geographical location in an economic environment with similar risk and returns.

Revenue for the period consists of the following:

	Unaudited Six months ended 30 June 2013 RMB'000	2012 RMB'000
Turnover		
Sales of properties	**6,833,888**	2,155,052
Rental income	**87,817**	87,277
Property management services	**70,514**	57,843
Hotel and catering operations	**23,856**	–
	7,016,075	2,300,172

The segment information provided to the executive directors for the reportable segments for the period ended 30 June 2013 is as follows:

	Unaudited					
	Property development *RMB'000*	**Property investment** *RMB'000*	**Property management** *RMB'000*	**Hotel and catering** *RMB'000*	**Others** *RMB'000*	**Total** *RMB'000*
Revenue	**6,833,888**	**87,817**	**70,514**	**23,856**	**–**	**7,016,075**
Segment results before changes in fair value of investment properties and financial derivatives	**1,810,345**	**2,268**	**3,003**	**(15,556)**	**(5,425)**	**1,794,635**
Change in fair value of investment properties	**–**	**363,910**	**–**	**–**	**–**	**363,910**
Change in fair value of financial derivatives	**–**	**(6,908)**	**–**	**–**	**–**	**(6,908)**
Segment results	**1,810,345**	**359,270**	**3,003**	**(15,556)**	**(5,425)**	**2,151,637**
Finance income						**179,547**
Finance costs						**(566,958)**
Finance costs – net *(note 5)*						**(387,411)**
Profit before income tax						**1,764,226**
Income tax expenses *(note 6)*						**(759,818)**
Profit for the period						**1,004,408**
Other information:						
Depreciation	**14,835**	**2,694**	**1,949**	**6,032**	**4,879**	**30,389**
Amortisation	**495**	**956**	**–**	**740**	**–**	**2,191**

The segment information provided to the executive directors for the reportable segments for the period ended 30 June 2012 is as follows:

	Unaudited				
	Property development *RMB'000*	Property investment *RMB'000*	Property management *RMB'000*	Others *RMB'000*	Total *RMB'000*
Revenue	2,155,052	87,277	57,843	–	2,300,172
Segment results before changes in fair value of investment properties and financial derivatives	603,006	3,119	2,095	3,026	611,246
Change in fair value of investment properties	–	423,874	–	–	423,874
Change in fair value of financial derivatives	–	3,798	–	–	3,798
Segment results	603,006	430,791	2,095	3,026	1,038,918
Share of result from an associate	(208)	–	–	–	(208)
Finance income					10,819
Finance costs					(35,389)
Finance costs – net *(note 5)*					(24,570)
Profit before income tax					1,014,140
Income tax expenses *(note 6)*					(340,509)
Profit for the period					673,631
Other information:					
Depreciation	11,365	2,430	1,474	2,691	17,960
Amortisation	404	–	–	–	404

The segment assets and liabilities as at 30 June 2013 are as follows:

	Unaudited						
	Property development ***RMB'000***	**Property investment** ***RMB'000***	**Property management** ***RMB'000***	**Hotel and catering** ***RMB'000***	**Others** ***RMB'000***	**Elimination** ***RMB'000***	**Total** ***RMB'000***
Segment assets	**128,412,585**	**11,106,800**	**2,230,093**	**220,856**	**61,783,946**	**(131,698,766)**	**72,055,514**
Unallocated							**616,366**
Total assets							**72,671,880**
Segment liabilities	**100,842,059**	**4,560,025**	**1,252,808**	**154,660**	**36,351,877**	**(109,491,723)**	**33,669,706**
Unallocated							**22,706,687**
Total liabilities							**56,376,393**
Other information:							
Capital expenditure	**18,052**	**1,186,873**	**2,626**	**6,320**	**995**	**–**	**1,214,866**

The segment assets and liabilities as at 31 December 2012 are as follows:

	Audited						
	Property development *RMB'000*	Property investment *RMB'000*	Property management *RMB'000*	Hotel and catering *RMB'000*	Others *RMB'000*	Elimination *RMB'000*	Total *RMB'000*
Segment assets	91,944,113	8,754,775	1,825,485	182,753	55,698,761	(100,854,038)	57,551,849
Unallocated							400,747
Total assets							57,952,596
Segment liabilities	63,297,796	3,385,844	923,284	111,307	37,174,026	(80,025,519)	24,866,738
Unallocated							18,031,675
Total liabilities							42,898,413
Other information:							
Capital expenditure	31,043	540,319	4,055	23,616	5,488	–	604,521

Other business segments include the investment holding and inactive companies.

Segment assets consist primarily of property and equipment, investment properties, land use rights, properties under development, completed properties held for sale, debtors, deposits and other receivables, prepayments for proposed development projects, restricted cash, and cash and cash equivalents. They exclude investment in an associate, deferred income tax assets and prepaid taxes.

Segment liabilities consist primarily of advance proceeds received from customers, advance deposits received, accrued construction costs, financial derivatives, other payables and amounts due to non-controlling interests of subsidiaries. They exclude deferred income tax liabilities, income tax payable and borrowings.

Capital expenditure comprises additions to non-current assets other than deferred income tax assets and investment in an associate that are expected to be recovered for more than one year after the balance sheet date.

5 FINANCE INCOME AND COSTS

	Unaudited Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Finance income		
Interest income on bank deposits	**12,840**	10,819
Net exchange gains	**166,707**	–
	179,547	10,819
Finance costs		
Interest expense:		
– Bank borrowings	**(435,686)**	(311,160)
– Senior Notes	**(582,303)**	(297,113)
– Convertible Bonds	**(85,737)**	(83,162)
– Senior Secured Guaranteed Bonds	**(4,991)**	(99,896)
– Exchangeable Term Loan	**(3,256)**	(14,284)
Early redemption premium of debts *(note)*	**(521,042)**	–
Total interest expense	**(1,633,015)**	(805,615)
Less: interest capitalised	**1,066,057**	788,583
	(566,958)	(17,032)
Net exchange losses	**–**	(18,357)
	(566,958)	(35,389)
Finance costs – net	**(387,411)**	(24,570)

Note:

On 13 January 2013, the Company repaid the outstanding Exchangeable Term Loan in full and redeemed the Senior Secured Guaranteed Bonds in full at redemption price equal to 100% of the principal amount of aforesaid borrowings outstanding thereof which were US$120,000,000 (equivalent to RMB754,260,000) and RMB2,000,000,000, the accrued and unpaid coupon were US$2,160,000 (equivalent to RMB13,576,000), and RMB55,250,000 for the Exchangeable Term Loan and the Senior Secured Guaranteed Bonds, respectively, and the applicable premium to the holders of the Exchangeable Term Loan of was US$9,576,000 (equivalent to RMB60,058,000).

On 28 April 2013, the Company redeemed partial of the outstanding Senior Notes at redemption price equal to 100% of the principal amount of Senior Notes thereof which were US$388,000,000 (equivalent to RMB2,432,333,000), the accrued and unpaid coupon were US$43,740,000 (equivalent to RMB274,201,000), and the applicable premium to the bondholders were US$26,190,000 (equivalent to RMB164,182,000).

On 22 May 2013, the Company redeemed the remaining outstanding Senior Notes at redemption price equal to 100% of the principal amount of the Senior Notes thereof which was US$260,000,000 (equivalent to RMB1,629,914,000), the accrued and unpaid coupon were US$2,340,000 (equivalent to RMB14,669,000), and the applicable premium to the bondholders was US$17,550,000 (equivalent to RMB110,019,000).

The premium for such redemptions amounting to RMB521,042,000 was recognised in finance costs.

6 INCOME TAX EXPENSES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of Cayman Islands and, accordingly, is exempted from payment of Cayman Islands income tax.

Hong Kong profits tax

No Hong Kong profits tax was provided for the six months ended 30 June 2013 and 2012 as the Group has no assessable profits arising in or derived from Hong Kong for the periods.

PRC enterprise income tax

PRC enterprise income tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2012: 25%).

PRC land appreciation tax

PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% (2012: 30% to 60%) on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including lease charges of land use rights and all property development expenditures, which is included in the condensed consolidated statement of comprehensive income as income tax.

	Unaudited	
	Six months ended 30 June	
	2013	2012
	RMB'000	*RMB'000*
Current income tax		
– PRC enterprise income tax	**785,822**	275,396
– PRC land appreciation tax	**16,985**	32,216
Deferred income tax	**(42,989)**	32,897
	759,818	340,509

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2013	2012
Profit attributable to equity holders *(RMB'000)*	**1,024,624**	674,815
Weighted average number of ordinary shares in issue	**4,909,832,669**	4,905,390,000
Basic earnings per share *(RMB)*	**0.209**	0.138

The calculation of basic earnings per share is based on the Group's profit attributable to equity holders of RMB1,024,624,000 (2012: RMB674,815,000) and the weighted average of 4,909,832,669 (2012: 4,905,390,000) shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary share outstanding to assume conversion of all dilutive potential ordinary shares. For the period ended 30 June 2013, the Company has the Convertible Bonds and share options (2012: the Convertible Bonds) that have dilutive potential ordinary shares.

The Convertible Bonds are assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expenses less the tax effect. For the share options, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average periodic market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise in full of the share options.

	Unaudited	
	Six months ended 30 June	
	2013	2012
Profit attributable to equity holders *(RMB'000)*	**1,024,624**	674,815
Adjustment for finance cost on Convertible Bonds *(RMB'000)*	**85,737**	83,162
Profit used to determine diluted earnings per shares *(RMB'000)*	**1,110,361**	757,977
Weighted average number of ordinary shares in issue	**4,909,832,669**	4,905,390,000
Adjustment for the Convertible Bonds	**620,000,000**	620,000,000
Adjustment for share options	**116,385,795**	–
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**5,646,218,464**	5,525,390,000
Diluted earnings per share *(RMB)*	**0.197**	0.137

8 DIVIDEND

No dividend has been paid or declared by the Company for the six months ended 30 June 2013 and 2012.

9 CAPITAL COMMITMENTS FOR PROPERTY DEVELOPMENT EXPENDITURES

	Unaudited	Audited
	30 June 2013	31 December 2012
	RMB'000	*RMB'000*
Contracted but not provided for	**25,611,194**	20,922,726

Note: The amount represented capital commitments for land use rights, prepayments for proposed development contracts and construction contracts.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Kaisa Group Holdings Ltd. (the "**Company**", together with its subsidiaries referred to as the "**Group**"), I am pleased to present the interim results of the Group for the six months period ended 30 June 2013 (the "**Period**").

For the Period under review, the Group's turnover and gross profit reached approximately RMB7,016.1 million and RMB2,555.5 million, representing an increase of approximately 205.0% and 130.5% over the corresponding period of last year, respectively. Profit attributable to shareholders and basic earnings per share amounted to approximately RMB1,024.6 million and RMB20.9 cents, representing an increase of approximately 51.8% and 51.4% as compared to the corresponding period of last year, respectively.

Business Review

For the first half of 2013, the Central Government (the "**Central Government**") of the People's Republic of China (the "**PRC**") continued its stance to curb housing price. On 20 February, 2013, the State Council issued the "Five National Measures" on the real estate sector, including, holding local governments responsible for reining in housing price in their respective jurisdictions, strict implementation of the capital gain tax and home purchase restrictions, and increase in the mortgage down payment for the non-first-time home purchase. Largely due to the release of pend-up demand, despite the new measures, the average home price continued in its 13 straight months rise in the second quarter since mid-2012, albeit at a slower pace after the announcement, according to data compiled by China Real Estate Index System ("**CREIS**").

The international capital market continued to improve in the first quarter of 2013 but encountered a sharp downturn in May 2013 after speculations on the earlier than expected ending of the quantitative easing program in the United States. The domestic banking environment also faced a mini-crisis on liquidity in June 2013, with overnight inter-bank lending rate soared to a record-high of 13.44% as the PBOC refused to inject liquidity into the system for demonstrating their commitments on prudent monetary policy.

During the Period under review, the Group successfully executed a rapid asset-turnover business model to capture the robust mass market housing demand. The Group achieved approximately RMB11.0 billion of contracted sales, representing an increase of 70.7% year-on-year of which approximately 32.8% was contributed from projects in Shenzhen. In July 2013, Kaisa was ranked 23rd in terms of gross floor area ("**GFA**") sold according to "Top 50 Real Estate Enterprise Property Developers by Sales in the first half of 2013" jointly compiled and issued by China Real Estate Information Corporation (NASDAQ: CRIC; "**CRIC**") and China Real Estate Appraisal Center, and was ranked 3rd both in terms of GFA sold and number of units sold in Shenzhen according to the statistics compiled by CRIC.

Kaisa also named the “Best Mid Cap” in China and was ranked 8th in the category of the “Best investor relations” in China by Finance Asia. The Group successfully launched Chengdu Kaisa Mansion No. 8 in Western Region, Hangzhou Jade Dragon Court and Shanghai Xiangyi Garden (also known as “Shanghai Kaisa Mansion No. 8”) in the Yangtze River Delta, and Shenzhen Dapeng Kaisa Peninsula Resort in the Pearl River Delta, further solidifying the Group’s nationwide presence. On a rolling-twelve-month basis, Kaisa managed to achieve a sell-through rate of 70.7% as at 30 June 2013.

With respect to our land acquisitions, we continue to focus on end-user market. Since late 2011, the Group has begun to re-focus on the opportunities in tier-one cities and provincial capitals. For the Period under review, the Group entered into various agreements for land purchase for a total consideration of RMB8.7 billion, with 91.3% located in tier-one cities and provincial capitals. As a result of our efforts to achieve a more balanced land bank portfolio, approximately 27.5% of our land bank was located in tier-one cities and provincial capitals as at 30 June 2013, as compared to 24.4% as at end of 2012. The above land acquisitions will not only allow the Group to accumulate sufficient saleable resources to support its business expansion, but also consolidate its market position in the future. We plan to launch phase one of most of the above projects in 2014.

For the Period under review, our urban redevelopment projects contributed significantly to the Group’s contracted sales. In December 2012, we launched Phase 1 of Shenzhen Kaisa City Plaza, the largest residential and commercial complex and urban redevelopment project ever undertaken in Shenzhen. This project has accounted for approximately 21.5% of our contracted sales for the Period under review. In June 2013, we launched the Shenzhen Dapeng project with 96.2% of the units within the size of 80 sq.m. in order to capture the end-user demand in Shenzhen. Significant progress has been made in our other urban redevelopment projects in Shenzhen and Guangzhou.

In May 2013, we acquired two land parcels in the Baiyun District of Guangzhou. Such land acquisitions will not only enable the Group to achieve synergy with our existing urban redevelopment projects located in the same district, but also further enhance our brand and consolidate our leading market position in the Pearl River Delta.

The above launches, together with our urban redevelopment project pipeline, will also provide the Group with considerable saleable resources to sustain its growth in the medium term and improve its profitability going forward.

Development and Financing Strategies

The Group will continue to adopt a flexible yet prudent policy to cope with market and policy changes, including making appropriate adjustments in future development plans, product mix, capital structure, sales and marketing strategies in accordance with the prevailing market conditions and product demand indifferent markets.

We have been taking a proactive approach in managing our liabilities since the second half of 2012. Taking advantage of the liquidity in the capital market, on 8 January 2013, the Company successfully issued US$500 million 10.25% senior notes due 2020 to refinance the exchangeable term loan and the senior bonds due in 2014 with an aggregate principal amount of approximately RMB2.8 billion. On 19 March 2013, the Company successfully issued US$550 million 8.875% senior notes due 2018 to partially refinance the senior notes due 2015, with an outstanding principal amount of USD648 million, and for general corporate use. On 22 April 2013, the Company successfully issued RMB1.8 billion 6.875% senior notes due 2016 to refinance the remaining balance of the senior notes due 2015. All of the above three transactions received overwhelming interest from international fund managers and were over-subscribed by more than 10 times. Through these transactions, we managed to extend our debt maturity profile, and reduce our funding cost substantially. The successful refinancing of our offshore debts has also granted the Company with more flexibility for its business expansion.

Investor Relations

The Company strives to achieve a high standard of corporate governance and high degree of corporate transparency, and is devoted to maintaining a timely and effective communication with its shareholders and investors through various means. In addition to the regulatory filings and announcements, through monthly newsletters, communication with media, investor conference, site visits and reverse road show, the Group strives to keep shareholders and investors well informed of its latest development including business strategies, sales performance, operation and financial condition. The Group values input from investors, bond holders and shareholders, and through various channels to collect their views.

Prospects

The optimism in the global financial market in the first quarter was sharply reversed due to the speculation on the earlier than expected ending of the quantitative easing program in the United States. The Group took the opportunity during the first quarter of 2013 to refinance its offshore senior notes, and such refinancing received overwhelming response from international investors. The Group will continue to monitor the market to explore the opportunities to secure lower cost financing, and improve its capital structure.

Recent Chinese economic data, including gross domestic product index, has underlined China's economy's weakness and raised concerns about of a deeper slow down in the rest of the year, notwithstanding the consumer price index figures are showing good sign of control of inflation, allowing flexibility for the Central Government to step up policy fine-tuning to support China's economy, and to structurally reform China's economic growth pattern to ensure a more balanced and sustainable development in the future. While it is generally expected that the overall policy stance on the Chinese property sector will remain firm in the near to medium term, the new Chinese administration has reiterated its commitment to urbanization and encouragement of home ownership for the first time buyers. As such, we believe that property price and transaction volume will stabilize going forward, in particular in the end-user market segment.

With Qianhai of Shenzhen being designated as a new financial service hub of China with preferential policies, Shenzhen has entered into a new epoch of its history. Capitalizing its project pipeline on urban redevelopment projects in Shenzhen, and over 9 million sq.m. of land bank in the Pearl River Delta, the Group is well positioned to capture the housing demand generated from the new opportunities arising. While we will continue to leverage our brand and our expertise to unlock the value of our pipeline for redevelopment projects, we will continue to implement the asset turnover business model to seize the growing end-user mass market driven by urbanization, aiming to become a national leader in the property sector.

Acknowledgement

Thanks to the enormous support from all of our stakeholders and the ardent efforts of all our staff members who have made in valuable contributions during the period, the Group has been growing at a steady pace. On behalf of the Board, I would like to take this opportunity to express my wholehearted gratitude to all the shareholders of the Company, investors, business partners and customers for their trust and support. Upholding the spirit enshrined in our motto “Kaisa, bring you joyful living”, we will make every endeavor to maximise values and generate the greatest returns for our shareholders and investors.

KWOK Ying Shing
Chairman

Hong Kong, 15 August 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

Despite the Central Government's stance remained firm on the housing sector and continued to roll-out policy, the Group still achieved its record of contracted sales during the Period. For the first half of 2013, the Group's contracted sales and the GFA amounted to approximately RMB11.0 billion and 1,191,141 sq.m., representing growth of 70.7% and 8.0% year-on-year, respectively. Contracted average sale price (the "**ASP**") increased by 58.0% year-on-year to RMB9,253 per sq.m. For the Period under review, the Group launched an aggregate GFA of approximately 1.3 million sq.m., and planned to launch another approximately 2.3 million sq.m. of GFA in the second half of 2013. According to "Top 50 Real Estate Enterprise Property Developers by Sales in the first half of 2013" compiled and issued by China Real Estate Information Corporation, Kaisa was ranked 23rd nationwide in terms of GFA sold, affirming the Group's market position and brand reputation. The table below shows the Group's contracted sales by region in the first half of 2013:

Region	**Number of projects**	**Contracted sales area**	**Contracted sales amount**
		sq.m.	*RMB in millions*
Pearl River Delta (ex-Shenzhen)	10	245,524	2,367.4
Shenzhen	4	166,093	3,610.3
Yangtze River Delta	10	101,682	948.3
Western China	6	281,314	1,855.3
Central China	3	227,043	1,299.3
Pan-Bohai Bay Rim	7	169,485	940.9
Total	40	1,191,141	11,021.5

During the Period, the Group recorded a turnover of RMB7,016.1 million, representing an increase of 205.0% as compared to the corresponding period in 2012. Profit attributable to equity holders amounted to RMB1,024.6 million, representing an increase of 51.8% as compared to the corresponding period in 2012. The Group's net profit for the Period excluding one-off prepayment expenses of offshore debts, exchange difference, change in fair values of financial derivates and of investment properties net of corresponding deferred taxes, amounted to RMB1,092.7 million, representing an increase of 195.1% as compared to the corresponding period in 2012. Basic earnings per share was RMB20.9 cents, representing an increase of 51.4% as compared to the corresponding period in 2012. The Board does not recommend the payment of interim dividends for the Period.

Property Development

1. *Projects completed in the Period*

   The Group adopts a strict and prudent practice in project development and adjusts its pace of business expansion as and when appropriate. During the Period, the GFA of newly completed projects of the Group amounted to approximately 827,000 sq.m.

2. *Projects under development*

   As at 30 June 2013, the Group had 36 projects under development concurrently with an aggregate of GFA of approximately 8.4 million sq.m.

3. *Property management*

   The Group also provides property management service to its own development. During the Period under review, the Group managed a total floor area of approximately 8.4 million sq.m., equivalent to 67,588 units. In June 2013, Kaisa was ranked 15th in "2013 China Top 100 Property Management Companies" jointly compiled by China Index Research Institute and China Real Estate Top 10 Research Team. Building on its national recognition, the Group's property management arm is striving to deliver excellent and professional service to its customers so as to further enhance its brand and corporate image.

4. *Investment properties*

   The Group adopts a diversified business strategy, characterized by its increase in property investment. The portfolio of investment properties will generate steady and reliable income, and enlarge the overall income base of the Group. The Group develops commercial properties such as office buildings, retail stores and car parks for leasing purpose. In managing its investment property portfolio, the Group takes into account the long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 30 June 2013, the Group held an aggregate GFA of 87,567 sq.m. completed investment properties for rental purpose.

Land Bank

It remains an ongoing effort of the Group to expand its land reserve to implement the business strategy of rapid turnover model. Since late 2011, the Group started to re-focus the opportunities in tier-one cities and provincial capitals with a focus on end-user mass market, enabling the Group to be less susceptible to policy risk while achieving a more balanced property portfolio. For the first half of 2013, we purchased a total of 14 land parcels or related interests through government-held public tenders, auctions or listing-for-sale. The aggregate consideration for the land acquisitions was approximately RMB8,653.3 million, with an average land cost per total planned GFA of approximately RMB6,935 per sq.m. The total planned GFA per maximum allowed plot ratio attributable to the Group is up to approximately

1,247,786 sq.m. In terms of GFA, 27.5% of the land bank is located in tier-one and tier-two cities. As at 30 June 2013, the Group had a total land bank of approximately 24.8 million sq.m., which is sufficient for the Group's development needs for the next five years. The table below set forth detailed information of these land acquisitions:

Month of acquisition	Location	Attributable interest	Site area	Attributable GFA per maximum allowed plot ratio	Consideration	Type
		(%)	*(sq.m.)/(No. of land parcel)*	*(sq.m)*	*(RMB in millions)*	
February 2013	Hangzhou	100%	36,595/(1)	73,190	466.0	Residential
February 2013	Qingdao	100%	206,879/(3)	273,420	370.8	Residential
February 2013	Nanchong	100%	67,942/(1)	156,267	305.7	Residential
March 2013	Dongguan	100%	33,910/(1)	84,775	450.1	Residential
April 2013	Chengdu	100%	51,256/(1)	143,516	509.5	Residential
April 2013	Wuhan	100%	40,390/(1)	116,323	439.0	Residential
May 2013	Guangzhou	100%	65,627/(1)	72,966	1,867.7	Residential
May 2013	Shenzhen	11.5%	14,411/(1)	16,306	405.0	Commercial
May 2013	Shanghai	100%	11,088/(1)	49,896	1,505.0	Commercial
May 2013	Hangzhou	100%	75,214/(1)	142,907	1,010.0	Residential
May 2013	Guangzhou	100%	19,671/(1)	35,479	798.7	Residential
June 2013	Shanghai	100%	48,387/(1)	82,741	525.8	Residential
Total			**671,370/(14)**	**1,247,786**	**8,653.3**	

Outlook

The Group is well positioned for a challenging operating environment in the second half of 2013. Though the overall policy stance on the property sector is expected to remain prudent in the near term, the Central Government has pledged to support demand driven by first time home owners. Nonetheless, growth of the Chinese economy is still one of the fastest globally, coupled with the long-term policy of urbanization, we remain optimistic about the prospect of China's real estate sector. In the interim, the Group continues to focus on realizing the value from its redevelopment project pipeline, while remaining committed to delivering a rapid asset-turnover business model, further enhancing the product quality and capitalizing its branding, with an aim to maximizing returns to the shareholders of the Company.

Financial Review

Revenue

Revenue of the Group primarily comprises the (i) sales proceeds from the sale of properties including completed properties held for sale and properties under development, (ii) gross recurring revenue received and receivable from investment properties and (iii) property management fee income. The revenue is primarily generated from its four business segments: property development, property investment, property management, and hotel and catering. The revenue increased by RMB4,715.9 million, or 205.0%, to approximately RMB7,016.1 million in the Period from approximately RMB2,300.2 million for the corresponding period in 2012, mainly attributable to the increase in recognised property sales. For the Period, the revenue generated from property development, property investment, property management, and hotel and catering was approximately RMB6,833.9 million, RMB87.8 million, RMB70.5 million and RMB23.9 million, respectively.

Sales of properties

Revenue from sales of properties increased by RMB4,678.8 million, or 217.1%, to RMB6,833.9 million in the Period from RMB2,155.1 million for the corresponding period in 2012. The increase was primarily attributable to an increase in the total GFA delivered from approximately 283,362 sq.m. for the corresponding period in 2012 to approximately 997,124 sq.m. in the Period.

Rental income

Revenue from rental income remained fairly stable for the Period as compared to corresponding period in 2012.

Property management service

Revenue from property management service increased by RMB12.7 million, or 21.9%, to RMB70.5 million in the Period from RMB57.8 million for the corresponding period in 2012. This increase was primarily attributable to the increased GFA under property management.

Gross profit

The Group's gross profit increased by RMB1,446.9 million, or 130.5%, to RMB2,555.5 million in the Period from RMB1,108.6 million for the corresponding period in 2012, mainly attributable to the increase in recognised property sales. The gross profit margin decreased to 36.4% from 48.2% for the corresponding period in 2012, mainly explained by the increase in cost of sales of properties (excluding business tax) per sq.m., from approximately RMB3,658 for the corresponding period in 2012 to approximately RMB4,128 in the Period.

Selling and marketing costs

The Group's selling and marketing costs increased by RMB124.7 million, or 53.7%, to RMB356.7 million in the Period from RMB232.0 million for the corresponding period in 2012. The increase in selling and marketing costs was in line with contracted sales.

Administrative expenses

The Group's administrative expenses increased by RMB123.4 million, or 43.7%, to RMB406.2 million in the Period from RMB282.7 million for the corresponding period in 2012. The increase was primarily attributable to the increase in staff costs and operating expenses resulting from the Group's business expansion.

Change in fair value of investment properties

The increase in fair value of the Group's investment properties for the Period was primarily attributable to the appreciated fair value of the Group's investment properties in Shenzhen Kaisa Global Center, Guangzhou Jinmao and Huizhou Kaisa Center Phase 2.

Finance costs – net

The Group's net finance costs increased by RMB362.8 million, or 1,476.8%, to RMB387.4 million in the Period from RMB24.6 million for the corresponding period in 2012. The increase in net finance cost is primarily attributable to the one-off prepayment expenses of the Group's offshore debts, of RMB521.0 million, offset by an exchange gain mainly arising from the U.S. dollar denominated offshore financing as a result of fluctuation of the Renminbi against the U.S. dollar, of RMB166.7 million recorded in the Period.

Income tax expenses

The Group income tax expenses increased by RMB419.3 million, or approximately 123.1%, to RMB759.8 million in the Period from RMB340.5 million for the corresponding period in 2012. The increase was primarily attributable to the increase in operating profit for the Period.

Profit for the Period

As a result of the factors described above, the Group's profit for the Period increased by RMB330.7 million, or 49.1%,to RMB1,004.4 million in the Period from RMB673.6 million for the corresponding period in 2012. The net profit margin was 14.3% for the Period and 29.3% for the corresponding period in 2012. The Group's net profit excluding one-off prepayment expenses of offshore debts, exchange difference, change in fair value of finance derivatives and investment properties, net of deferred tax for the Period and the corresponding period in 2012 was RMB1,092.7 million and RMB370.3 million, respectively, resulting in corresponding net profit margin excluding one-off prepayment expenses of offshore debts, exchange difference, change in fair value of financial derivatives and investment properties, net of deferred tax of 15.6% and 16.1% for the Period and the corresponding period in 2012, respectively.

Liquidity, Financial and Capital Resources

Cash position

As at 30 June 2013, the carrying amount of the Group's cash and bank deposits was approximately RMB6,174.7 million (31 December 2012: RMB5,352.3 million), representing a increase of 15.4% as compared to that as at 31 December 2012. Pursuant to relevant regulations in the PRC, certain property development companies of the Group are required to place a certain amount of pre-sales proceeds to designated bank accounts as collateral for the construction loans. Such collateral will be released after the completion of the pre-sales properties or the issuance of the title of the properties, whichever is the earlier. Additionally, as at 30 June 2013, certain of the Group's cash was deposited in certain banks as collateral for the benefit of mortgage loan facilities granted by the banks to the purchasers of the Group's properties. The aggregate of the above collaterals amounted to approximately RMB577.4 million as at 30 June 2013.

Senior notes

On 28 April 2010, the Company issued US$350 million 13.5% senior notes due 2015 for the purpose of debt prepayment, financing property projects and general corporate use. On 14 June 2011, the Company issued additional US$300 million 13.5% senior notes due 2015 (collectively, the "**Senior Notes**") for the purpose of financing new land bank in the PRC and real estate projects. The Senior Notes were fully redeemed during the Period.

Convertible bonds

On 20 December 2010, the Company issued RMB1.5 billion USD settled 8% convertible bonds due 2015 (the "**Convertible Bonds**") for the purpose of financing the acquisition of new land bank in the PRC and the Group's real estate projects. The initial conversion price is HK$2.82 per share.

Senior bonds

On 15 March 2011, the Company issued RMB2.0 billion USD settled 8.5% senior secured guaranteed bonds due 2014 (the "**Bonds**") for the purpose of financing new land bank in the PRC and real estate projects. The Bonds was fully redeemed in January 2013.

Exchangeable term loan

To refinance the Group's trust loans and to finance the Group's property projects, on 23 May 2012, the Company entered into a facility agreement with PA International Opportunity VI Limited, as the lender, for an exchangeable term loan in the aggregate principal amount of US$120.0 million at an annual interest rate of 13.5% with a tenor of 27 months (the "**Exchangeable Term Loan**"), and a call option deed with the lender as the grantee. Upon exercise of the call option, the lender will become a minority shareholder of Fenglong Group Co. Ltd., currently a wholly owned subsidiary of the Group. The Exchangeable Term Loan was fully drawn down as at 30 June 2012 and subsequently fully prepaid in January 2013.

Senior notes due 2017

On 18 September 2012, the Company issued US$250 million 12.875% senior notes due 2017 (the "**Senior Notes 2012**") for the purpose of funding our existing and new property projects and refinancing our existing indebtedness and general corporate use.

Senior notes due 2020

On 8 January 2013, the Company issued US$500 million 10.25% senior notes due 2020 (the "**Senior Notes January 2013**") for the purpose of refinancing our Exchangeable Term Loan and Bonds and general corporate use.

Senior notes due 2018

On 19 March 2013, the Company issued US$550 million 8.875% senior notes due 2018 (the "**Senior Notes March 2013**") for the purpose of partial refinancing our Senior Notes and general corporate use.

Senior notes due 2016

On 22 April 2013, the Company issued RMB1.8 billion 6.875% senior notes due 2016 (the "**Senior Notes April 2013**") for the purpose of refinancing the remaining balance of our Senior Notes and general corporate use.

Borrowings and charges on the Group's assets

As at June 30, 2013, the Group had aggregate borrowings of approximately RMB19,600.2 million, of which approximately RMB3,657.3 million will be repayable within 1 year, approximately RMB12,135.4 million will be repayable between 2 and 5 years and approximately RMB3,807.5 million will be repayable over 5 years. As at 30 June 2013, the Group's bank loans of approximately RMB4,536.3 million were secured by plant and equipment, land use rights, investment properties, properties under development and completed properties held for sale of the Group with total carrying values of approximately RMB10,645.5 million. The carrying amounts of all the Group's bank loans and Senior Notes April 2013 are denominated in RMB except for the Senior Notes 2012, Senior Notes January 2013 and Senior Notes March 2013 with an aggregate carrying value of RMB8,179.6 million, the Convertible Bonds with a carrying value of RMB1,349.7 million and other offshore banking facilities with a carrying value of RMB913.2 million as at 30 June 2013 which were denominated in USD. The Senior Notes 2012, Senior Notes January 2013, Senior Notes March 2013, Senior Notes April 2013 and the Convertible Bonds are secured by the share pledge of certain of the Group's subsidiaries incorporated outside of the PRC, and joint and several guarantees given by certain subsidiary companies of the Group. The Group's domestic bank loans carried a floating interest rate linking up with the base lending rate of the People's Bank of China. Our interest rate risk is mainly from the floating interest rate of domestic bank loans.

Gearing

As at 30 June 2013, the Group's net debts (total borrowings net of cash and cash equivalent and restricted cash) over total equity was 82.4% (31 December 2012: 66.8%). The Group's net current assets increased by 15.8% from RMB20,397.0 million as at 31 December 2012 to RMB23,622.0 million as at 30 June 2013, and the current ratio decreased from 1.7 times as at 31 December 2012 to 1.6 times as at 30 June 2013.

Cost of borrowings

For the Period under review, the Group's total cost of borrowings was RMB1,633.0 million, representing an increase of RMB827.4 million or 102.7% as compared to the corresponding period in 2012. The increase was primarily attributable to the one-off management expenses of the Group's offshore debts of RMB521.0 million recorded in the Period and the higher average debt balance in the Period as compared to that in 2012.

Foreign currency risks

The Group's property development projects are all located in China and most of the related transactions are settled in RMB. The Company and certain of the Group's intermediate holding companies operate in Hong Kong have recognized assets and liabilities in currencies other than RMB. As at 30 June 2013, the Group had cash balances denominated in USD of approximately US$4.0 million, and in HK dollar of approximately HK$282.1 million, the Senior Notes 2012, Senior Notes January 2013 and Senior Notes March 2013 in USD with an aggregate carrying value of US$1,323.8 million, and other offshore banking facilities with a carrying value of US$147.8 million which are subject to foreign currency exposure. The Group does not have a foreign currency hedging policy. However, management of the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Financial guarantees

As at 30 June 2013, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to our customers amounting to approximately RMB9,644.4 million (31 December 2012: approximately RMB6,786.2 million). Pursuant to the terms of the guarantees, upon default in mortgage payments by a purchaser, we would be responsible for repaying the outstanding mortgage principal together with accrued interest and penalties owed by the defaulting purchaser to the bank, but we would be entitled to assume legal title to and possession of the related property. These guarantees will be released upon the earlier of (i) the satisfaction of the mortgage loan by the purchaser of the property; and (ii) the issuance of the property ownership certificate for the mortgage property and the completion of the deregistration of the mortgage.

Material acquisitions and disposals of assets

During the Period under review, the Group did not have any material acquisitions and disposals of assets.

Employees and remuneration policy

As at 30 June 2013, the Group had approximately 9,480 employees (31 December 2012: approximately 8,656 employees). The remuneration of employees was based on their performance, skills, knowledge, experience and market trend. The Group reviews the remuneration policies and packages on a regular basis and will make necessary adjustment commensurate with the pay level in the industry. In addition to basic salaries, employees may be offered with discretionary bonus and cash awards based on individual performance.

CORPORATE GOVERNANCE

The Company is committed to the establishment of stringent corporate governance practices and procedures with a view to enhancing investor confidence and the Company's accountability and transparency. The Company strives to maintain a high standard of corporate governance. For the six months ended 30 June 2013, the Board is of the view that, for the period from 1 January 2013 to 30 June 2013, the Company has complied with the code provisions on the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

CHANGES OF BOARD COMPOSITION AND UPDATED INFORMATION REGARDING THE DIRECTORS

There was no change to the board composition for the six months ended 30 June 2013.

AUDIT COMMITTEE

The Audit Committee assists the Board in providing an independent review of the effectiveness of the financial reporting process, internal control and risk management systems of the Group, overseeing the audit process and performing other duties and responsibilities as may be assigned by the Board from time to time. The members of the Audit Committee are all of the Independent Non-Executive Directors, namely Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu. Mr. Rao Yong is the Chairman of the Audit Committee.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the Group's unaudited consolidated interim results for the six months ended 30 June 2013. In addition, the independent auditor of the Company, PricewaterhouseCoopers, has reviewed the unaudited interim results for the six months ended 30 June 2013 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules as the code for dealing in securities of the Company by the Directors. Specific confirmation has been obtained from all Directors to confirm compliance with the required standard set out in the Model Code for six months ended 30 June 2013. No incident of non-compliance was noted by the Company to date. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code for six months ended 30 June 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2013, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listing securities.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2013 (2012: Nil).

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (www.kaisagroup.com) and the Stock Exchange (www.hkexnews.hk). An interim report of the Company for the six months ended 30 June 2013 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and available on the same websites in due course.

By Order of Board
Kaisa Group Holdings Ltd.
KWOK Ying Shing
Chairman

Hong Kong, 15 August 2013

As at the date of this announcement, the executive Directors 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 are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu.