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)

INSIDE INFORMATION AND TRADING HALT

INSIDE INFORMATION

Preliminary Financial Review

Based on a preliminary review of the financial information that is currently available to the management of the Company, the Group's financial status is as follows:

(1) it is expected that the Group will experience a substantial decline in its consolidated net profit attributable to owners of the Company for the year ended 31 December 2014 as compared with the year ended 31 December 2013;

(2) (a) total interest-bearing debts of the Group due to onshore and offshore lenders as at 31 December 2014 amounted to approximately RMB65,008.56 million (equivalent to approximately HK$82,407.2 million);

(b) total interest-bearing debts of the Group due to onshore lenders as at 31 December 2014 amounted to approximately RMB47,970.68 million (equivalent to approximately HK$60,809.4 million), comprising (i) debts of approximately RMB12,417.68 million (equivalent to approximately HK$15,741.1 million) due to banks and (ii) debts of approximately RMB35,553.0 million (equivalent to approximately HK$45,068.3 million) due to non-bank financial institutions; and

(c) total interest-bearing debts of the Group due to offshore lenders as at 31 December 2014 amounted to approximately RMB17,037.88 million (equivalent to approximately HK$21,597.8 million);

* *For identification purposes only*

(3) it is expected that the Group's total outstanding principal amount of debts and the accrued interest that will become due and repayable before the end of 2015 under the terms of the relevant loan agreements will fall between approximately RMB34.1 billion (equivalent to approximately HK$43.2 billion) and approximately RMB35.5 billion (equivalent to approximately HK$45.0 billion) (depending on the adjustment of the timing for repayment); if the blockages and restrictions on the property projects of the Group as disclosed in the Recent Development Announcements are not lifted or otherwise resolved in a short period of time, the Group's cash flow will be adversely affected to maintain its operations; and

(4) given the conditions faced by the Group, the value of the Group's assets will be adversely affected.

Debt Restructuring

In light of the financial position at the Group and its future obligations, it is anticipated that the restructuring will need to be conducted on an expedited basis.

An initial meeting has been scheduled with the Group's onshore lenders on 16 February 2015 in Shenzhen, the PRC. Given that completion of the debt restructuring to the satisfaction of Sunac is a condition precedent under the Share Purchase Agreement, representatives of Sunac have been invited to attend this meeting.

The Company expects to engage its offshore creditors on a restructuring proposal as soon as practicable, with the intention of reaching an agreement by the end of March 2015 and completion of the restructuring in April 2015.

To facilitate an efficient process, the Company encourages offshore bondholders to organize in advance of restructuring discussions and to identify themselves to the Company's financial advisor, Houlihan Lokey.

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

TRADING HALT

At the request of the Company, trading in the Company's shares on The Stock Exchange of Hong Kong Limited has been halted with effect from 9:00 a.m. on 16 February 2015. The Company will issue further announcements on the progress of the debt restructuring and any update of the Group's financial position as and when appropriate.

This announcement is made by Kaisa Group Holdings Ltd. (the "Company" and, together with its subsidiaries, the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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 21 December 2014, 29 December 2014, 1 January 2015, 6 January 2015, 12 January 2015, 16 January 2015, 28 January 2015 and 9 February 2015, respectively (the "**Recent Development Announcements**"), the announcement of the Company dated 11 February 2015 in relation to the review of restructuring and refinancing alternatives and the joint announcement of the Company and Sunac China Holdings Limited ("**Sunac**") dated 6 February 2015 in relation to the share purchase agreement of the Company's shares entered into with Sunac (the "**Share Purchase Agreement**").

Terms defined in the Recent Development Announcements will bear the same meaning in this announcement.

INSIDE INFORMATION

Preliminary Financial Review

Based on a preliminary review of the financial information that is currently available to the management of the Company, the Group's financial status is as follows:

(1) it is expected that the Group will experience a substantial decline in its consolidated net profit attributable to owners of the Company for the year ended 31 December 2014 as compared with the year ended 31 December 2013;

(2) (a) total interest-bearing debts of the Group due to onshore and offshore lenders as at 31 December 2014 amounted to approximately RMB65,008.56 million (equivalent to approximately HK$82,407.2 million);

(b) total interest-bearing debts of the Group due to onshore lenders as at 31 December 2014 amounted to approximately RMB47,970.68 million (equivalent to approximately HK$60,809.4 million), comprising (i) debts of approximately RMB12,417.68 million (equivalent to approximately HK$15,741.1 million) due to banks and (ii) debts of approximately RMB35,553.0 million (equivalent to approximately HK$45,068.3 million) due to non-bank financial institutions; and

(c) total interest-bearing debts of the Group due to offshore lenders as at 31 December 2014 amounted to approximately RMB17,037.88 million (equivalent to approximately HK$21,597.8 million);

(3) it is expected that the Group's total outstanding principal amount of debts and the accrued interest that will become due and repayable before the end of 2015 under the terms of the relevant loan agreements will fall between approximately RMB34.1 billion (equivalent to approximately HK$43.2 billion) and approximately RMB35.5 billion (equivalent to approximately HK$45.0 billion) (depending on the adjustment of the timing for repayment); if the blockages and restrictions on the property projects of the Group as disclosed in the Recent Development Announcements are not lifted or otherwise resolved in a short period of time, the Group's cash flow will be adversely affected to maintain its operations; and

(4) given the conditions faced by the Group, the value of the Group's assets will be adversely affected.

Debt Restructuring

As previously indicated, completion of the Share Purchase Agreement is conditional upon a number of items including the satisfactory restructuring of the Group's existing debt facilities and any outstanding defaults.

An initial meeting has been scheduled with the Group's onshore lenders on 16 February 2015 in Shenzhen, the PRC. Given that completion of debt restructuring to the satisfaction of Sunac is a condition precedent under the Share Purchase Agreement, representatives of Sunac have been invited to attend this meeting.

The Company expects to engage its offshore creditors on a restructuring proposal as soon as practicable, with the intention of reaching an agreement by the end of March 2015 and completion of the restructuring in April 2015.

To facilitate an efficient process, the Company encourages offshore bondholders to organize in advance of restructuring discussions and to identify themselves to the Company's financial advisor, Houlihan Lokey.

Contact details for Houlihan Lokey:

Asian-Based Creditors	**EMEA-Based Creditors**	**U.S.-Based Creditors**
Brandon Gale	Joseph Swanson	Saul E. Burian
BGale@HL.com	JSwanson@HL.com	SBurian@HL.com

The Company looks forward to a constructive dialogue and timely creditor support to ensure the long-term success of the Group's business for the benefit of all stakeholders.

Caution

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2014. The information contained in this announcement is based solely on a preliminary assessment by the management of the Company with reference to the information currently available to it, which has not been audited by the Company's auditors and the actual results of the Group for the year ended 31 December 2014 may be different from what is disclosed in this announcement.

Shareholders of the Company and potential investors are advised to read the annual results announcement of the Company for the year ended 31 December 2014 which is expected to be issued before 31 March 2015.

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

TRADING HALT

At the request of the Company, trading in the Company's shares on The Stock Exchange of Hong Kong Limited has been halted with effect from 9:00 a.m. on 16 February 2015. The Company will issue further announcements on the progress of the debt restructuring and any update of the Group's financial position as and when appropriate.

For illustration purpose, amounts in RMB in this announcement have been translated to HK$ at HK$1.00 = RMB0.78887.

By Order of the Board
KAISA GROUP HOLDINGS LTD.
Sun Yuenan
Co-chairman and Executive Director

16 February 2015

As at the date of this announcement, the executive Directors are Mr. Sun Yuenan, Mr. Ye Lieli, Mr. Lei Fugui, Mr. Jin Zhigang and Mr. Yu Jianqing; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao and Mr. Rao Yong.