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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)**

### **ISSUE OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE**

#### **ISSUE OF THE EXCHANGE CONVERTIBLE BONDS**

References are made to the Offshore Debt Announcements. In respect of the Offshore Debt Restructuring, the Company implemented the Schemes of Arrangement pursuant to which, among other things, the 2015 Convertible Bonds were exchanged for Mandatorily Exchangeable Bonds and other securities of the Company. On 21 July 2016, being the Restructuring Effectiveness Date and the Exchange Date, the Company issued, among other things, the Mandatorily Exchangeable Bonds.

Under the terms of the Mandatorily Exchangeable Bonds, as soon as reasonably practicable after the Resumption of Trading, the Company shall (a) procure a general meeting to pass the necessary shareholders' resolutions for (i) the issue of the Exchange Convertible Bonds, (ii) the allotment and issue of the Conversion Shares upon conversion of the Exchange Convertible Bonds, (iii) the allotment and issue of Conversion Shares in respect of any Accrued PIK Interest, and (iv) the allotment and issue of Conversion Shares in respect of any Future PIK Interest; and (b) obtain all necessary approvals from the Stock Exchange for the listing of and permission to deal in on the Stock Exchange the Conversion Shares to be issued (i) upon conversion of the Exchange Convertible Bonds, and (ii) in respect of any Accrued PIK Interest. Upon satisfaction of the Mandatory Exchange Conditions, the Mandatorily Exchangeable Bonds will be automatically exchanged into the Exchange Convertible Bonds.

To fulfil its obligations under the terms of the Mandatorily Exchangeable Bonds, the Company proposes to convene an EGM and seek the Shareholders' approval for (a) the issue of the Exchange Convertible Bonds in an aggregate principal amount equal to (i) the outstanding principal amount of the Mandatorily Exchangeable Bonds as at the Exchange Date and (ii) the Accrued PIK Interest, and the allotment and issue of Conversion Shares upon conversion of such Exchange Convertible Bonds, and (b) the issue of Exchange Convertible Bonds in respect of any Future PIK Interest and the allotment and issue of Conversion Shares in respect of any such Future PIK Interest. The Conversion Shares will be issued under the Specific Mandate proposed to be obtained at the EGM.

\* For identification purposes only

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) details of the Exchange Convertible Bonds; and (ii) a notice of the EGM is expected to be despatched to the Shareholders on or before 19 May 2017.

**Shareholders and potential investors in the Company should note that the issue of the Exchange Convertible Bonds is subject to fulfilment of certain conditions as set out in the sub-section headed “Principal Terms of the Exchange Convertible Bonds – Conditions Precedent”, and therefore the issue may or may not complete. Accordingly, Shareholders and potential investors in the Company should exercise caution when dealing in the securities of the Company.**

## **BACKGROUND**

References are made to the Offshore Debt Announcements. In respect of the Offshore Debt Restructuring, the Company implemented the Schemes of Arrangement pursuant to which, among other things, the 2015 Convertible Bonds were exchanged for Mandatorily Exchangeable Bonds and other securities of the Company. On 21 July 2016, being the Restructuring Effectiveness Date and the Exchange Date, the Company issued, among other things, the Mandatorily Exchangeable Bonds.

Under the terms of the Mandatorily Exchangeable Bonds, upon satisfaction of the Mandatory Exchange Conditions, the Mandatorily Exchangeable Bonds will be automatically exchanged into the Exchange Convertible Bonds.

## PRINCIPAL TERMS OF THE EXCHANGE CONVERTIBLE BONDS

The principal terms of the Exchange Convertible Bonds are summarised as follows:

**Issuer:** the Company

**Principal amount:** US\$259,486,248, representing the outstanding principal amount of the Mandatorily Exchangeable Bonds as at the Exchange Date.

According to the terms of the Mandatorily Exchangeable Bonds, the Company may, at its election, pay any interest in respect of the Mandatorily Exchangeable Bonds in cash or in kind. If the Company elects to pay such interest in kind, any PIK Interest in respect of the Mandatorily Exchangeable Bonds accrued on or before the date of the Shareholders' Resolutions will be capitalised and form part of the aggregate principal amount of the Exchange Convertible Bonds (the "**Accrued PIK Interest**"). Assuming:

- (1) the Company elects to pay PIK Interests in respect of the Mandatorily Exchangeable Bonds;
- (2) the Shareholders' Resolutions are passed at the EGM and the Listing Approvals are obtained on or before 25 June 2017 (being 90 days after the Resumption of Trading);
- (3) the Exchange Convertible Bonds will be issued on 30 June 2017;
- (4) the Company has not elected to pay any interest in respect of the Mandatorily Exchangeable Bonds in cash; and
- (5) there is no conversion or redemption of any Exchange Convertible Bonds prior to the Maturity Date as extended as described in the sub-paragraph headed "Maturity Date" below,

it is expected that the Accrued PIK Interest amounting to a maximum of US\$13,762,980 will be capitalised and form part of the aggregate principal amount of the Exchange Convertible Bonds.

In addition, any interest in respect of the Exchange Convertible Bond accruing from the date of the Shareholders' Resolutions until 31 December 2019 (or where applicable, 31 December 2020 if the Maturity Date is extended as described in the sub-paragraph headed "Maturity Date" below) will be, unless the Company elects to pay any such interest in cash, capitalised and added to the then current outstanding principal amount of the Exchange Convertible Bonds (the "**Future PIK Interest**"). Assuming:

- (1) the Company does not elect to pay any interest in respect of the Exchange Convertible Bond in cash (please refer to the sub-paragraph headed "Interest/coupon" below for details of the calculation of interests in respect of the Exchange Convertible Bonds);
- (2) the Exchange Convertible Bonds will be issued on 30 June 2017; and
- (3) there is no conversion or redemption of any Exchange Convertible Bonds prior to the Maturity Date as extended as described in the sub-paragraph headed "Maturity Date" below,

it is expected that the Future PIK Interest amounting to a maximum of US\$19,307,857 will be capitalised and added to the then current outstanding principal amount of the Exchange Convertible Bonds. The Company must elect to pay all Future PIK Interest in cash unless and until it has received the necessary approval from the Stock Exchange for the listing of and permission to deal in on the Stock Exchange the Conversion Shares to be issued in respect of any Future PIK Interest.

**Form and denomination:** The Exchange Convertible Bonds will be issued in registered form in denominations of US\$1,000 each and integral multiples of US\$1 in excess thereof.

**Conditions precedent:**

The issue of the Exchange Convertible Bonds in exchange for the Mandatorily Exchangeable Bonds is subject to the following conditions precedent to be satisfied as soon as reasonably practicable after the Resumption of Trading (the “**Mandatory Exchange Conditions**”):

- (a) the convening of a general meeting and the passing thereof of all necessary Shareholders’ resolutions (the “**Shareholders’ Resolutions**”) for (i) the issue of the Exchange Convertible Bonds in an aggregate principal amount equal to (A) the outstanding principal amount of the Mandatorily Exchangeable Bonds as at the Exchange Date and (B) the Accrued PIK Interest, and the allotment and issue of the Conversion Shares upon conversion of the Exchange Convertible Bonds, (ii) the issue of Exchange Convertible Bonds in respect of any Future PIK Interest; and the allotment and issue of Conversion Shares in respect of any such Future PIK Interest; and
- (b) the obtaining of all necessary approvals from the Stock Exchange (the “**Listing Approvals**”) for the listing of and permission to deal in on the Stock Exchange the Conversion Shares to be issued upon conversion of the Exchange Convertible Bonds (including such Conversion Shares to be issued in respect of any Accrued PIK Interest).

If the Shareholders’ Resolutions fail to be passed within 60 days of the Resumption of Trading and such failure continues for a period of 30 consecutive days, it will constitute an event of default of the Mandatorily Exchangeable Bonds and upon notice by the Trustee to the Company, the Mandatorily Exchangeable Bonds will become immediately due and repayable at their outstanding principal amount together with unpaid accrued interest thereon.

In addition, if the Company fails to obtain the Listing Approvals within 60 days of the Resumption of Trading and such failure continues for a period of 30 consecutive days, the holder of a Mandatorily Exchangeable Bond shall be entitled to require the redemption of its Mandatorily Exchangeable Bonds on the date which is 120 days from the Resumption of Trading at par plus certain premium in accordance with the terms and conditions of the Mandatorily Exchangeable Bonds.

**Maturity date:**

31 December 2019, which, at the option of the Company, may be extended by one year to 31 December 2020 (the “**Maturity Date**”). If the Maturity Date is extended to 31 December 2020, the interest rate applicable for the period from (and including) 31 December 2019 to (and excluding) 31 December 2020 will be 10% per annum and the relevant interest shall be paid in cash only, as set out in the sub-paragraph headed “Interest/coupon” below.

**Interests / coupon<sup># ^</sup>:**

The outstanding, unconverted and unredeemed Exchange Convertible Bonds bear interest from (and including) the Issue Date, payable semi-annually in arrears on 30 June and 31 December (each, the “**Interest Payment Date**”) each year until the Maturity Date at the annualised rates specified in the tables below calculated by reference to the then outstanding principal amount of the Exchange Convertible Bond (for this purpose including any Accrued PIK Interest and Future PIK Interest). As indicated in the tables below, the Company may elect to pay interests in (i) cash only or (ii) a combination of cash and PIK Interest:

*Year 2017*

<i>30 June</i>			<i>31 December</i>		
<b>Cash Only</b>	<b>Combination</b>		<b>Cash Only</b>	<b>Combination</b>	
	<b>PIK</b>	<b>Cash</b>		<b>PIK</b>	<b>Cash</b>
4.61%	5.56%	1.00%	4.61%	5.56%	1.00%

*Year 2018*

<i>30 June</i>			<i>31 December</i>		
<b>Cash Only</b>	<b>Combination</b>		<b>Cash Only</b>	<b>Combination</b>	
	<b>PIK</b>	<b>Cash</b>		<b>PIK</b>	<b>Cash</b>
5.61%	4.56%	2.00%	6.61%	2.56%	4.00%

*Year 2019*

<i>30 June</i>		<i>31 December</i>	
<b>Combination</b>		<b>Combination</b>	
<b>PIK</b>	<b>Cash</b>	<b>PIK</b>	<b>Cash</b>
0.56%	6.00%	0.56%	6.00%

*(Where applicable) Year 2020*

<i>30 June</i>	<i>31 December</i>
<b>Cash Only</b>	<b>Cash Only</b>
10.00%	10.00%

If the Issue Date is not an Interest Payment Date, then the interest rate for the first interest period under the Exchange Convertible Bonds shall be calculated on the basis that the interest period started on the previous Interest Payment Date under the Mandatorily Exchangeable Bonds, so that any accrued but unpaid cash interest or PIK Interest on the Mandatorily Exchangeable Bond on the Issue Date will be paid on the first Interest Payment Date under the Exchange Convertible Bonds.

*Notes #:* The interest rates apply to the Mandatorily Exchangeable Bonds (before the exchange of the Mandatorily Exchangeable Bonds into Exchange Convertible Bonds taking place) and the Exchange Convertible Bonds (after exchange of the Mandatorily Exchangeable Bonds into Exchange Convertible Bonds taking place).

*^:* The interest/coupon rates are on an annualised basis.

**Guarantee and security:**

The Exchange Convertible Bonds will be jointly and severally guaranteed by the Subsidiary Guarantors. The Exchange Convertible Bonds will have the benefit of the security under the Amended and Restated Intercreditor Agreement and the Security Documents.

**Status:**

The Exchange Convertible Bonds constitute direct, unsubordinated, (subject to certain permitted secured indebtedness as provided for under the terms and conditions of the Exchange Convertible Bonds) secured and unconditional obligations of the Company and shall at all times rank pari passu and without preference or priority among themselves. The obligations of the Company under the Exchange Convertible Bonds and the Trust Deed and of the Subsidiary Guarantors under the guarantee are secured rateably and on a pari passu basis with the obligations of the Company under the New Notes and the Indentures and of the Subsidiary Guarantors under their respective subsidiary guarantees.

**Conversion right and conversion period:**

Bondholders are entitled to convert all or part of the Exchange Convertible Bonds held by it into Conversion Shares at any time during the Conversion Period described below.

“**Conversion Period**” means the period commencing from the Issue Date up to the close of business (at the place where the certificate evidencing such Exchange Convertible Bonds is deposited for conversion) on the tenth day prior to the Maturity Date (both days inclusive) (but, except as provided in the terms and conditions of the Exchange Convertible Bonds, in no event thereafter) or, if such Exchange Convertible Bonds shall have been called for redemption by the Company before the Maturity Date then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof, or if notice requiring redemption has been given by the relevant Bondholder pursuant to the terms and conditions of the Exchange Convertible Bonds then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice.

**Fractional shares:**

Fractions of Shares will not be issued upon conversion and no cash adjustments will be made in respect thereof. However, if the conversion right in respect of more than one Exchange Convertible Bond is exercised at any one time such that Conversion Shares to be issued on conversion are to be registered in the same name, the number of such Conversion Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Exchange Convertible Bonds being so converted and rounded down to the nearest whole number of Conversion Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the Issue Date which reduces the number of Shares outstanding, the Company will upon conversion of the Exchange Convertible Bonds pay in cash in a sum equal to such portion of the principal amount of the Exchange Convertible Bonds evidenced by the certificate deposited in connection with the exercise of the conversion rights as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds US\$10.

**Conversion price and adjustment events:**

Initially HK\$2.34 per Conversion Share (subject to adjustment as set out and in accordance with the terms and conditions of the Exchange Convertible Bonds). The initial conversion price represents:



- (a) a discount of approximately 5.65% over the Closing Price of HK\$2.48 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 7.51% over the average of the Closing Price of HK\$2.53 per Share as quoted on the Stock Exchange for the last five (5) consecutive Trading Days up to and including the Last Trading Day;
- (c) a discount of approximately 10.34% over the average of the Closing Prices of HK\$2.61 per Share as quoted on the Stock Exchange for the last ten (10) consecutive Trading Days up to and including the Last Trading Day.

The initial conversion price was arrived at after arm's length negotiations between the Company and representatives of the Bondholders.

The initial conversion price HK\$2.34 per Conversion Share will be subject to adjustment for, among other things, subdivision, reclassification or consolidation of Shares, capitalisation of profits or reserves, capital distributions, rights issue, issues at less than current market price, modification of rights of conversion, distributions and other dilutive events as described in the terms and conditions of the Exchange Convertible Bonds. The conversion price may not be reduced so that, on conversion of the Exchange Convertible Bonds, Shares would fall to be issued at a discount to their par value.

**Restriction on conversion:** The Company is not obliged to issue Conversion Shares in satisfaction of the conversion rights attached to the Exchange Convertible Bonds in breach of its obligations under the Listing Rules.

**Redemption:**

(a) *Final Redemption at Maturity:*

Unless previously redeemed, converted or purchased and cancelled in the circumstances provided for under the terms and conditions of the Exchange Convertible Bonds, the Company will redeem each Exchange Convertible Bond at its principal amount together with unpaid accrued interest thereon on the Maturity Date.

*(b) Early redemption at the option of the Company*

On giving not less than 30 nor more than 90 days' notice to the Bondholders, the Company may, subject to the terms and conditions of the Exchange Convertible Bonds, redeem all, but not some only, of the Exchange Convertible Bonds for the time being outstanding at their principal amount, together with interest accrued to the date fixed for redemption.

*(c) Redemption for Relevant Event*

Following the occurrence of a Relevant Event as described below, the Bondholders will have the right at such holders' option, by notice to the Company, to require the Company to redeem all, but not some only, of such holders' Exchange Convertible Bonds at a price equal to the principal amount, together with interest accrued to the date fixed for redemption.

A “**Relevant Event**” occurs when (i) the Shares ceases to be listed or admitted to trading or suspended for a period equal to or exceeding 30 consecutive Trading Days on the Stock Exchange or an Alternative Stock Exchange; or (ii) there is a change of control in the Company.

**Ranking of conversion shares:**

The Conversion Shares, when issued and fully paid, will rank pari passu with the fully paid Shares in issue.

**Voting rights:**

Unless and until the Bondholders acquire the Conversion Shares upon conversion of the Bonds, they will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares.

**Application for listing:**

Application will be made to the SGX-ST for the listing of the Exchange Convertible Bonds.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

## EFFECT ON THE SHARE CAPITAL STRUCTURE OF THE COMPANY AS A RESULT OF THE CONVERSION

To the best knowledge of the Directors and the Company, the following table illustrates the shareholding structure of the Company: (1) as at the date of this announcement; and (2) immediately following the conversion of the Exchange Convertible Bonds in full (including the allotment and issue of Conversion Shares pursuant to any Accrued PIK Interest and Future PIK Interest in the maximum amount possible as described in the sub-paragraph headed “Principal Terms of the Exchange Convertible Bonds – Principal amount” above) at the initial conversion price of HK\$2.34 per Conversion Share, on the assumptions that (a) there will be no other change to the share capital structure of the Company from the date of this announcement until the completion of the conversion of the Exchange Convertible Bonds in full (including the allotment and issue of Conversion Shares pursuant to any Accrued PIK Interest and Future PIK Interest in the maximum amount possible as described in the sub-paragraph headed “Principal Terms of the Exchange Convertible Bonds – Principal amount” above), save for the issue of the Conversion Shares in respect of the Exchange Convertible Bonds (including the allotment and issue of Conversion Shares pursuant to any Accrued PIK Interest and Future PIK Interest in the maximum amount possible as described in the sub-paragraph headed “Principal Terms of the Exchange Convertible Bonds – Principal amount” above) and (b) the Bondholders do not and will not hold any Shares other than the Conversion Shares as a result of the conversion of the Exchange Convertible Bonds in full (including allotment and issue of Conversion Shares pursuant to any Accrued PIK Interest and Future PIK Interest in the maximum amount possible as described in the sub-paragraph headed “Principal Terms of the Exchange Convertible Bonds – Principal amount” above):

Name of Shareholder	As at the date of this announcement		Assuming the conversion of the Exchange Convertible Bonds in full at the initial conversion price of HK\$2.34 per Conversion Share			
	Number of Shares	Approximate %	(including the allotment and issue of Conversion Shares pursuant to the maximum Accrued PIK Interest but excluding the maximum Future PIK Interest)		(including the allotment and issue of Conversion Shares pursuant to the maximum Accrued PIK Interest and the maximum Future PIK Interest)	
			Number of Shares	Approximate %	Number of Shares	Approximate %
Funde Sino Life Insurance Co., Ltd. (Note 1)	649,700,957	12.65%	649,700,957	10.75%	649,700,957	10.64%
Fund Resources Investment Holding Group Company Limited (Note 1)	887,995,149	17.29%	887,995,149	14.69%	887,995,149	14.54%
Da Zheng Investment Company Limited (Note 2)	843,065,377	16.41%	843,065,377	13.95%	843,065,377	13.80%

Name of Shareholder	As at the date of this announcement		Assuming the conversion of the Exchange Convertible Bonds in full at the initial conversion price of HK\$2.34 per Conversion Share			
	Number of Shares	Approximate %	(including the allotment and issue of Conversion Shares pursuant to the maximum Accrued PIK Interest but excluding the maximum Future PIK Interest)		(including the allotment and issue of Conversion Shares pursuant to the maximum Accrued PIK Interest and the maximum Future PIK Interest)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Da Feng Investment Company Limited ( <i>Note 2</i> )	843,065,378	16.42%	843,065,378	13.95%	843,065,378	13.80%
Da Chang Investment Company Limited ( <i>Note 2</i> )	625,673,378	12.19%	625,673,378	10.35%	625,673,378	10.24%
The Bondholders	0	0%	907,993,171	15.02%	972,152,190	15.91%
Other Public Shareholders	1,286,769,671	25.04%	1,286,769,671	21.29%	1,286,769,671	21.07%
<b>Total:</b>	<b>5,136,269,910</b>	<b>100.00%</b>	<b>6,044,263,081</b>	<b>100.00%</b>	<b>6,108,422,100</b>	<b>100.00%</b>

*Notes:*

- Fund Resources Investment Holding Group Company Limited is a wholly-owned subsidiary of Funde Sino Life Insurance Co., Ltd.*
- Each of Da Zheng Investment Company Limited, Da Feng Investment Company Limited and Da Chang Investment Company Limited is wholly owned by Mr. Kwok Ying Chi, Mr. Kwok Ying Shing and Mr. Kwok Hiu Kwan, respectively. Mr. Kwok Ying Shing is an executive Director and the Chairman of the board of the Company.*

## **REASONS FOR AND BENEFITS OF THE ISSUE OF THE EXCHANGE CONVERTIBLE BONDS**

As set out in the Offshore Debt Announcements, the Company experienced liquidity problem and therefore underwent a series of debt restructuring to address the liquidity and support the operations of the Group. In respect of the Offshore Debt Restructuring, the Company implemented the Schemes of Arrangement pursuant to which, among other things, the 2015 Convertible Bonds were exchanged for Mandatorily Exchangeable Bonds and other securities of the Group. Under the terms of the Mandatorily Exchangeable Bonds, upon satisfaction of the Mandatory Exchange Conditions, the Mandatorily Exchangeable Bonds will be automatically exchanged into the Exchange Convertible Bonds. Accordingly, the issue of the Exchange Convertible Bonds is part of the Offshore Debt Restructuring and the Board considers that its issue represents an appropriate means to improve the liquidity position of the Company.

The terms of the Exchange Convertible Bonds were arrived at after arm's length negotiations between the Company and representatives of the Bondholders and the Directors consider that the terms of the Exchange Convertible Bonds are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

## **FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS**

Save for the Offshore Debt Restructuring, the Company has not conducted any fund raising activities in the past 12 months prior to the date of this announcement.

## **INFORMATION ON THE BONDHOLDERS**

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Bondholders and their ultimate beneficial owner(s) are independent of the Company and its connected persons.

## **INFORMATION ON THE COMPANY**

The Company is an investment holding company, and its subsidiaries are principally engaged in property development, property investment and property management, and hotel and catering operations in the PRC.

## **DESPATCH OF CIRCULAR**

The Company proposes to convene an EGM and seek the Shareholders' approval for (a) the issue of the Exchange Convertible Bonds in an aggregate principal amount equal to (i) the outstanding principal amount of the Mandatorily Exchangeable Bonds as at the Exchange Date and (ii) the Accrued PIK Interest, and the allotment and issue of Conversion Shares upon conversion of such Exchange Convertible Bonds, and (b) the issue of Exchange Convertible Bonds in respect of any Future PIK Interest and the allotment and issue of Conversion Shares in respect of any such Future PIK Interest. The Conversion Shares will be issued under the Specific Mandate proposed to be obtained at the EGM. A circular containing, among other things, (i) details of the Exchange Convertible Bonds; and (ii) a notice of the EGM is expected to be despatched to the Shareholders on or before 19 May 2017.

**Shareholders and potential investors in the Company should note that the issue of the Exchange Convertible Bonds is subject to fulfilment of certain conditions as set out in the sub-section headed “Principal Terms of the Exchange Convertible Bonds – Conditions Precedent”, and therefore the issue may or may not complete. Accordingly, Shareholders and potential investors in the Company should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions have the following meaning:

“2015 Convertible Bonds”	means the RMB1,500,000,000 USD Settled 8% Convertible Bonds due 2015 issued by the Company as described in the announcement of the Company dated 2 December 2010;
“%”	means per cent.;
“Alternative Stock Exchange”	means at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in;
“Amended and Restated Intercreditor Agreement”	means the amended and restated intercreditor agreement dated 21 July 2016, as amended and supplemented from time to time, between, among others, the Company, the Subsidiary Guarantor Pledgors and Citicorp International Limited as common security trustee;
“Board”	means the board of Directors;
“Bondholder(s)”	means the holder(s) of the Exchange Convertible Bonds from time to time;
“Closing Price”	for the Shares for any Trading Day, shall be the price published in the daily quotation sheet published by the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day;
“Company”	means Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司*), a company incorporated in the Cayman Islands as an exempted company with limited liability and the shares of which are listed on the Stock Exchange;
“Conversion Share(s)”	the Shares to be issued on conversion of the Exchange Convertible Bonds;
“Director(s)”	means director(s) of the Company;

“EGM”	means the extraordinary general meeting of the Company to be convened for the purpose of, among other things, approving the issue of the Exchange Convertible Bonds and the allotment and issue of the Conversion Shares, notice of which will be contained in a circular to be despatched to the Shareholders;
“Exchange Convertible Bonds”	means the convertible bonds to be issued by the Company in exchange for the then principal amount of the Mandatorily Exchangeable Bonds;
“Exchange Date”	means the date on which, among others, the 2015 Convertible Bonds were exchanged for the Mandatorily Exchangeable Bonds;
“Group”	means the Company and its Subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Indentures”	means the Series A Notes Indenture, the Series B Notes Indenture, the Series C Notes Indenture, the Series D Notes Indenture and the Series E Notes Indenture;
“Issue Date”	means the date on which the Exchange Convertible Bonds are issued;
“Last Trading Day”	means 21 April 2017, being the last full trading day immediately before the date of this announcement;
“Listing Rules”	means The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Mandatorily Exchangeable Bonds”	means the USD denominated variable rate mandatorily exchangeable bonds due 31 December 2019 issued by the Company on 21 July 2016 as described in the announcement of the Company dated 17 March 2016;
“New Notes”	means the Series A Notes, the Series B Notes, the Series C Notes, the Series D Notes and the Series E Notes;

“Offshore Debt Announcements”	means the announcements of the Company dated 17 March 2016, 29 March 2016, 20 April 2016, 25 April 2016, 9 May 2016, 17 May 2016, 8 June 2016, 10 June 2016, 12 July 2016 and 15 July 2016 respectively;
“Offshore Debt Restructuring”	means the Company’s restructuring of its offshore debts as described in the Offshore Debt Announcements;
“PIK Interest”	means payment-in-kind interest in respect of (as the case maybe) the Mandatory Exchangeable Bonds or the Exchange Convertible Bonds;
“PRC”	means the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement;
“Restructuring Effectiveness Date”	means the date on which the Offshore Debt Restructuring becomes effective as contemplated by the Schemes of Arrangement;
“Resumption of Trading”	means the resumption of trading of the Shares on the Stock Exchange, which took place on 27 March 2017;
“Schemes of Arrangement”	means the schemes of arrangement in respect of the Company in the Cayman Islands and Hong Kong;
“Security Documents”	means collectively, the share charges and any other agreements or instruments that in each case may evidence or create any security in favour of Citicorp International Limited as common security trustee for any Bondholders in any or all of the relevant collateral;
“Series A Notes”	means the variable rate senior notes due 31 December 2019 issued by the Company on 21 July 2016;
“Series A Notes Indentures”	means the indenture dated 21 July 2016 (as supplemented and amended from time to time) among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association in its capacity as the trustee for the benefit of the holders of the Series A Notes;



“Series B Notes”	means the variable rate senior notes due 30 June 2020 issued by the Company on 21 July 2016;
“Series B Notes Indentures”	means the indenture dated 21 July 2016 (as supplemented and amended from time to time) among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association in its capacity as the trustee for the benefit of the holders of the Series B Notes;
“Series C Notes”	means the variable rate senior notes due 31 December 2020 issued by the Company on 21 July 2016;
“Series C Notes Indentures”	means the indenture dated 21 July 2016 (as supplemented and amended from time to time) among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association in its capacity as the trustee for the benefit of the holders of the Series C Notes;
“Series D Notes”	means the variable rate senior notes due 30 June 2021 issued by the Company on 21 July 2016;
“Series D Notes Indentures”	means the indenture dated 21 July 2016 (as supplemented and amended from time to time) among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association in its capacity as the trustee for the benefit of the holders of the Series D Notes;
“Series E Notes”	means the variable rate senior notes due 31 December 2021 issued by the Company on 21 July 2016;
“Series E Notes Indentures”	means the indenture dated 21 July 2016 (as supplemented and amended from time to time) among the Company, the Subsidiary Guarantors and Wilmington Trust, National Association in its capacity as the trustee for the benefit of the holders of the Series E Notes;
“SGX-ST”	means the Singapore Exchange Securities Trading Limited;
“Shareholders”	means shareholder(s) of the Company;

“Shares”	means the ordinary shares of par value of HK\$0.1 each of the Company;
“Specific Mandate”	means the specific mandate for the allotment and issue of the Conversion Shares granted to the Directors by the Shareholders at the EGM;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong or Cayman Islands law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person;
“Subsidiary Guarantors”	the Subsidiaries of the Company that guarantee the Exchange Convertible Bonds after the date of the Trust Deed;
“Subsidiary Guarantors Pledgors”	the Subsidiary Guarantors that grant such further security under the Amended and Restated Intercreditor Agreement and the Security Documents after the date of the Trust Deed;
“Trading Day”	means a day when the Stock Exchange or, as the case may be, an Alternative Stock Exchange, is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days;
“Trust Deed”	means the trust deed to be entered into among the Company and the Subsidiary Guarantors, U.S. Bank National Association as bond trustee and Citicorp International Limited as common security trustee constituting the Exchange Convertible Bond;
“Trustee”	means U.S. Bank National Association in its capacity as trustee for the Exchange Convertible Bonds; and

“US\$”

means United States dollar, the lawful currency of the United States.

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

Hong Kong, 24 April 2017

*As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Sun Yuenan, Mr. Zheng Yi and Mr. Yu Jianqing; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao, Mr. Rao Yong and Mr. Liu Xuehseng.*

\* *For identification purposes only*