

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. A copy of each of the Prospectus Documents, together with the document specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents. Subject to the granting of the listing of and permission to deal in the Nil Paid Rights (as defined) and the Rights Shares (as defined) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC (as defined), the Nil Paid Rights and the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined) with effect from the respective commencement dates of dealings in the Nil Paid Rights and the Rights Shares or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Hong Kong Exchanges and Clearing Limited, the Stock Exchange and the HKSCC take no responsibility for the contents of this prospectus, the PAL and the EAF, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of these documents. Dealing in securities of the Company, the Nil Paid Rights and the Rights Shares may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. The attention of Shareholders (as defined) with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding shares on behalf of Beneficial Owners (as defined) with such addresses is drawn to the paragraph headed "Rights of Overseas Shareholders" in the "Letter from the Board" in this prospectus.



**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)**

**RIGHTS ISSUE OF RIGHTS SHARES  
AT THE SUBSCRIPTION PRICE OF HK\$2.95 EACH ON THE BASIS  
OF ONE RIGHTS SHARE FOR EVERY SEVEN EXISTING SHARES  
HELD ON THE RECORD DATE**

**Underwriter to the Rights Issue**



The Final Acceptance Date of and payment for the Rights Shares is 4:00 p.m. on Thursday, 29 April 2021. The procedures for application of Rights Shares are set out in the paragraph headed "Procedure for acceptance and payment or transfer" on page 22 of this prospectus.

It should be noted that the Underwriter may, upon giving notice in writing to the Company, terminate the Underwriting Agreement (as defined) with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 12 to 13 of this prospectus. If the Underwriter exercises such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the Rights Issue will proceed on a fully-underwritten basis. Save for the Committed Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Thursday, 1 April 2021. The Nil Paid Rights will be dealt in from Monday, 19 April 2021 to Monday, 26 April 2021 (both days inclusive). If, prior to the Latest Time for Termination, the Underwriter terminate the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" in the "Letter from the Board" in this prospectus are otherwise not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled, which is currently expected to be 5:00 p.m. on Friday, 30 April 2021, and any dealings in the Nil Paid Rights from Monday, 19 April 2021 to Monday, 26 April 2021 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the Nil Paid Rights, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

\* For identification purpose only

## NOTICE

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL PAID RIGHTS INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil Paid Rights or fully-paid Rights Shares or to take up any entitlements to the Nil Paid Rights or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil Paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will be registered under the securities laws of any of the jurisdictions other than in Hong Kong and none of the Nil Paid Rights, the fully-paid Rights Shares, this prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil Paid Rights and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Rights of Overseas Shareholders” under the section headed “Letter from the Board” of this prospectus.

Each person acquiring the Nil Paid Rights and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the Nil Paid Rights and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the Nil Paid Rights and/or Rights Shares described in this prospectus.

For a description of certain restrictions regarding the taking up of the Nil Paid Rights for, and the offering and sale of, the Rights Shares, see the notices below.

### FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the

## NOTICE

relevant industries and markets in which the Group operates, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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## DEFINITIONS

*In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings:*

“Announcement”	the announcement of the Company dated 26 March 2021 in relation to, among other things, the Rights Issue and the Underwriting Agreement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for general banking business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Committed Shares”	the aggregate of 442,023,447 Rights Shares agreed to be taken by Da Chang, Da Feng and Da Zheng pursuant to Irrevocable Undertaking, including (i) 342,023,447 Rights Shares by way of provisional application letters and agreed to be taken up by Da Chang, Da Feng and Da Zheng in respect of the 2,394,164,133 Shares legally beneficially owned by them; and (ii) the 100,000,000 Rights Shares by way of excess application to be applied by Da Feng
“Committed Shareholders”	Da Chang, Da Feng and Da Zheng
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1638)

## DEFINITIONS

“connected person”	has the meaning ascribed to it under the Listing Rules
“Convertible Bonds”	the 10.5% convertible bonds due 2021 issued by the Company dated 30 December 2018
“CSRC”	the China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No.21)
“Da Chang”	Da Chang Investment Company Limited (大昌投資有限公司), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Kwok
“Da Feng”	Da Feng Investment Company Limited (大豐投資有限公司), a company incorporated in the British Virgin Islands and wholly-owned by the Family Trust established by Mr. Kwok
“Da Zheng”	Da Zheng Investment Company Limited (大正投資有限公司), a company incorporated in the British Virgin Islands and wholly-owned by Mr. Kwok Ying Chi, brother of Mr. Kwok
“Director(s)”	director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess for their pro-rata entitlements under the Rights Issue
“Family Trust”	the family trust established by Mr. Kwok as settlor with Bank of East Asia (Trustees) Limited being the trustee
“Final Acceptance Date”	Thursday, 29 April 2021, being the last day for acceptance of and payment for the Rights Shares and for application or such other date as the Company and the Underwriter may determine
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

## DEFINITIONS

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	a third party independent of the Company and not a connected person (as defined in the Listing Rules) of the Company
“Irrevocable Undertaking”	a letter of irrevocable undertaking dated 26 March 2021 executed by Da Chang, Da Feng and Da Zheng in favour of the Company, the principal terms of which are disclosed in the section headed “The Irrevocable Undertaking” in this prospectus
“Last Trading Day”	25 March 2021, being the last full trading date before the release of the Announcement
“Latest Lodging Time”	4:30 p.m. on Wednesday, 7 April 2021, the latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue
“Latest Practicable Date”	Friday, 9 April 2021, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Termination”	5:00 p.m. on Friday, 30 April 2021 or such later time or date as may be agreed between the parties in writing, being the next Business Day after the Final Acceptance Date, which shall be the latest time for termination of the Underwriting Agreement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board of the Stock Exchange
“Mr. Kwok”	Mr. Kwok Ying Shing, an executive Director and the controlling Shareholder of the Company
“Nil Paid Rights”	rights to subscribe for Rights Shares (in the form of Rights Shares in nil-paid form) before the Subscription Price is paid

## DEFINITIONS

“Non-qualifying Shareholders”	Overseas Shareholders whom the Directors, after making due and careful enquiries regarding the legal restrictions under the laws of the relevant jurisdictions or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue
“Overseas Shareholder(s)”	the Shareholders (whose names appear on the register of members of the Company on the Record Date) with registered address(es) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Thursday, 15 April 2021 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders
“PRC”	the People’s Republic of China
“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through China Clear as nominee under the Shanghai Stock Connect and Shenzhen Stock Connect
“Prospectus” or “this prospectus”	the prospectus issued to the Shareholders containing, among other things, details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF issued by the Company
“Qualifying Shareholder(s)”	Shareholders, other than the Non-qualifying Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Wednesday, 14 April 2021 or on such other date as the Company may determine, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined



## DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company
“Rights Issue”	the issue by way of rights of one (1) Rights Share for every seven (7) existing Shares in issue on the Record Date at the Subscription Price
“Rights Share(s)”	not less than 876,555,528 new Shares (assuming no change in the issued share capital of the Company on or before the Record Date) and not more than 900,714,242 new Shares proposed to be allotted and issued under the Rights Issue (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shanghai
“Share Option Schemes”	the share option schemes adopted by the Company on 22 November 2009 and 14 June 2019 respectively
“Share Option(s)”	the outstanding share option(s) granted by the Company pursuant to Share Option Schemes
“Shareholder(s)”	the holder(s) of issued Share(s)
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shenzhen Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen

## DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$2.95 per Rights Share under the Rights Issue
“taken up/take up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged, accompanied by cheques or other remittances, for the full amount payable in respect thereof
“USD”	United States dollar, the lawful currency of the United States
“Underwriter”	Haitong International Securities Company Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Underwriting Agreement”	the underwriting agreement dated 26 March 2021 entered into between the Company and the Underwriter and as revised, supplemented and/or amended from time to time in accordance with its terms
“Underwritten Shares”	up to 434,532,080 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no change in the issued share capital of the Company on or before the Record Date), or up to 458,690,795 Rights Shares, being the maximum total number of Rights Shares issuable (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date), excluding the Committed Shares to be taken up by Da Chang, Da Feng and Da Zheng pursuant to the Irrevocable Undertaking, underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“Untaken Shares”	those (if any) of the Rights Shares in respect of which valid applications under the PALs and EAFs have not been received on or before the Final Acceptance Date

## DEFINITIONS

“Vested Options”

outstanding and vested options granted to subscribe for 169,111,000 Shares pursuant to the Share Option Schemes that are exercisable on or before the Record Date

“%”

per cent.

## EXPECTED TIMETABLE

*The expected timetable for the Rights Issue is set out below:*

**2021**

Last day of dealing in the Shares on a cum-rights basis . . . . .	Wednesday, 31 March
First day of dealing in the Shares on an ex-rights basis . . . . .	Thursday, 1 April
Latest time for lodging transfer of shares to qualify for the Rights Issue . . . . .	4:30 p.m. on Wednesday, 7 April
Register of members of the Company closes for determining entitlements under Rights Issue (both dates inclusive) . . . . .	Thursday, 8 April to Wednesday, 14 April
Record Date for determining entitlements under Rights Issue . . . . .	Wednesday, 14 April
Register of members of the Company re-opens . . . . .	Thursday, 15 April
Prospectus Documents to be posted . . . . .	Thursday, 15 April
First day of dealing in Nil Paid Rights . . . . .	Monday, 19 April
Latest time for splitting of the PAL . . . . .	4:30 p.m. on Wednesday, 21 April
Last day of dealing in Nil Paid Rights . . . . .	Monday, 26 April
Latest time for acceptance and payment for the Rights Shares and application and payment for excess Rights Shares . . . . .	4:00 p.m. on Thursday, 29 April
Latest time for termination of the Underwriting Agreement and the Rights Issue to become unconditional . . . . .	5:00 p.m. on Friday, 30 April
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's and the Company's websites on or before . . . . .	Thursday, 6 May
Refund cheques for wholly and partially unsuccessful excess applications to be posted on or around . . . . .	Friday, 7 May
Share certificates of fully-paid Rights Shares to be posted . . . . .	Friday, 7 May
Expected first day of dealing of Rights Shares in fully-paid form commences . . . . .	Monday, 10 May

## EXPECTED TIMETABLE

All times and dates in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this prospectus are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, a “black” rainstorm warning signal and/or extreme conditions is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Final Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application will be rescheduled to 4:00 p.m. on the following Business Day which does not have any of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Thursday, 29 April 2021, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

Dates stated in this prospectus for the events mentioned in the timetable are indicative only and may be extended or varied. Any changes to the above expected timetable will be announced as and when appropriate in accordance with the Listing Rules.

## SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with and, subject to, the full text of this prospectus.

### RIGHTS ISSUE

Basis of Rights Issue	One (1) Rights Share for every seven (7) existing Shares held on the Record Date
Subscription Price	HK\$2.95 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	6,135,888,697 Shares
Number of Rights Shares to be issued under the Rights Issue	not less than 876,555,528 Rights Shares ( <i>Note 1</i> ) and not more than 900,714,242 Rights Shares ( <i>Note 2</i> )
Number of Rights Shares undertaken to be taken up by the Committed Shareholders	the aggregate of 442,023,447 Rights Shares (representing approximately 47.78% of the maximum number of Rights Shares proposed to be provisionally allotted by the Company) agreed to be taken up by Da Chang, Da Feng and Da Zheng pursuant to Irrevocable Undertaking, including (i) 342,023,447 Rights Shares (representing approximately 36.97% of the maximum number of Rights Shares proposed to be provisionally allotted by the Company) by way of provisional application letters and agreed to be taken up by Da Chang, Da Feng and Da Zheng; and (ii) the 100,000,000 Rights Shares (representing approximately 10.81% of the maximum number of Rights Shares proposed to be provisionally allotted by the Company) by way of excess application to be applied by Da Feng pursuant to the Irrevocable Undertaking
Aggregate nominal value of the Rights Shares	not less than HK\$87,655,552.8 ( <i>Note 1</i> ) and not more than HK\$90,071,424.2 ( <i>Note 2</i> )
Maximum number of Shares in issue upon completion of the Rights Issue	7,205,713,939 Shares ( <i>Note 2</i> )
Maximum funds raised before expenses	approximately HK\$2,657 million ( <i>Note 2</i> )

*Notes:*

1. Assuming no change in the issued share capital of the Company on or before the Record Date.
2. Assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date.

## SUMMARY OF THE RIGHTS ISSUE

As at the Latest Practicable Date, there are outstanding and vested Share Options exercisable on or before the Record Date to subscribe for an aggregate of 169,111,000 Shares granted pursuant to the Share Option Schemes. Assuming full exercise of the Vested Options, the maximum number of new Shares that would fall to be allotted and issued under the Share Option Schemes on or before the Record Date would be 169,111,000 Shares, which would result in the issue and allotment of 24,158,714 additional Rights Shares.

As at the Latest Practicable Date, there are outstanding Convertible Bonds in an aggregate outstanding principle amount of USD100,000,000, which are convertible into an aggregate of 175,167,784 Shares upon full conversion and pursuant to the terms of the Convertible Bonds (based on the conversion price of HK\$4.47 as adjusted as a result of the Rights Issue pursuant to the terms of the Convertible Bonds). Pursuant to the terms of the Convertible Bonds, the holders of the Convertible Bonds may not exercise the conversion right in relation to the Convertible Bonds during the Company's book closure period. From the date of the Announcement and up to 7 April 2021, being the Business Day immediately before the commencement of the book closure of the Company, none of the outstanding Convertible Bonds were converted, and accordingly no new Share was issued as a result of exercise of outstanding Convertible Bonds by the holders of the Convertible Bonds before the Record Date.

Assuming:

- (i) no new Shares are allotted and issued pursuant to any exercise of the Vested Options on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 14.29% of the total number of Shares in issue as at the Latest Practicable Date and will represent 12.50% of the Shares in issue as enlarged by the Rights Issue; and
- (ii) new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all Qualifying Shareholders take up their respective allotment of Rights Shares in full, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 14.68% of the total number of Shares in issue as at the Latest Practicable Date and will represent 12.50% of the Shares in issue as enlarged by the Rights Issue.

As at the Latest Practicable Date, save for the Vested Options as detailed above, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in Rights Issue. Other than as a result of the exercise of the Vested Options, the Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

## TERMINATION OF THE UNDERWRITING AGREEMENT

### TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if:

- (i) the occurrence, existence or come into effect or become public knowledge any of the following events or circumstances would, in the sole opinion of the Underwriter, materially and adversely affect the legal, business, financial or trading position of the Group as a whole, materially and adversely affect the Rights Issue or otherwise make it inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue, concerning or relating to (whether or not foreseeable):
  - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever;
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (including but not limited to any of the foregoing or in the nature of any local, national or international outbreak or escalation of hostilities, act of terrorism, calamity, crisis, armed conflict, general moratorium on commercial banking activities, disruption in commercial banking or securities settlement or clearance services, suspension or limitation on trading);
  - (c) the occurrence of any change in market conditions or combination of circumstances in Hong Kong or the PRC (including without limitation, any change in any stock market, any change in fiscal policy or money policy, or foreign exchange or currency markets, suspension or material restrict or trading in securities);
  - (d) any material adverse change in or affecting the condition (financial, operational or legal), earnings, liquidity, business, management, properties, assets, share capital, results of operations of the Company and the other members of the Group, taken as a whole, whether or not arising in the ordinary course of business;
  - (e) any event or circumstance in the nature of force majeure (including without limitation, any act of government, economic sanctions, riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak, act of terrorism, act of God, pandemic, declaration of a state of emergency or crisis);
- (ii) the Company commits any breach of any of its obligations or undertakings under the Underwriting Agreement that is material in the context of the Rights Issue; or



## TERMINATION OF THE UNDERWRITING AGREEMENT

- (iii) any statement contained in any of the Prospectus Documents was or has become untrue, inaccurate, or misleading in any material respect or any material omission in any of the Prospectus Documents;
- (iv) any suspension of dealings in the Shares for a consecutive period of five (5) trading days (other than pending publication of announcements in respect of the Rights Issue) or the listing of the Shares having been withdrawn;
- (v) the Underwriter shall receive notification pursuant to the Underwriting Agreement or the Underwriter shall otherwise become aware of, any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue, inaccurate, incorrect or misleading in any material respect as at the date it was given, or would in any material respect be untrue, inaccurate, incorrect or misleading if repeated as provided in the Underwriting Agreement, and which, in the sole opinion of the Underwriter, has or is likely to have or will have a material and adverse change in the business, financial or trading position of the Group as a whole, or a material and adverse effect on the Rights Issue, makes or is likely to make or will make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue; or
- (vi) the Company shall, after any matter or event referred to in (iii) above has occurred or come to the attention of the Underwriter, fail promptly to send out any announcement or circular (after the dispatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of notice of termination by the Underwriter pursuant to the terms of the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriting Agreement is terminated, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.



**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)**

**Board of Directors:**

*Executive Directors*

Mr. Kwok Ying Shing  
Mr. Sun Yuenan  
Mr. Mai Fan  
Mr. Li Haiming  
Mr. Kwok Hiu Kwan

*Non-executive Directors*

Ms. Chen Shaohuan

*Independent Non-executive Directors*

Mr. Zhang Yizhao  
Mr. Rao Yong  
Mr. Liu Xuesheng

**Registered Office:**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111 Cayman Islands

**Principal Place of Business  
in Hong Kong**

30/F, The Center  
99 Queen's Road Central  
Central  
Hong Kong

15 April 2021

*To the Qualifying Shareholders and,  
for information purposes only,*

*Non-qualifying Shareholders, the holders of the Share Options and Convertible Bonds*

Dear Sirs/Madams,

**RIGHTS ISSUE OF RIGHTS SHARES  
AT THE SUBSCRIPTION PRICE OF HK\$2.95 EACH ON THE BASIS  
OF ONE RIGHTS SHARE FOR EVERY SEVEN EXISTING SHARES  
HELD ON THE RECORD DATE**

**INTRODUCTION**

Reference is made to the Announcement, pursuant to which the Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every seven (7) existing Shares held on the Record Date at the Subscription Price of HK\$2.95 per Rights Share, to raise up to approximately HK\$2,586 million before expenses (assuming no change in the issued share capital of the Company on or before the Record Date, and all

## LETTER FROM THE BOARD

the Qualifying Shareholders taking up their respective allotment of Rights Shares in full) or approximately HK\$2,657 million before expenses (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Vested Options and the full conversion of the Convertible Bonds but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all Qualifying Shareholders taking up their respective allotment of Rights Shares in full). The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-qualifying Shareholders.

The purpose of this prospectus is to provide you with further information about the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

### RIGHTS ISSUE

On 26 March 2021, the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Rights Issue.

#### Rights Issue statistics

Basis of Rights Issue	One (1) Rights Share for every seven (7) existing Shares held on the Record Date
Subscription Price	HK\$2.95 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	6,135,888,697 Shares
Number of Rights Shares to be issued under the Rights Issue	not less than 876,555,528 Rights Shares ( <i>Note 1</i> ) and not more than 900,714,242 Rights Shares ( <i>Note 2</i> )

## LETTER FROM THE BOARD

Number of Rights Shares undertaken to be taken up by the Committed Shareholders	the aggregate of 442,023,447 Rights Shares (representing approximately 47.78% of the maximum number of Rights Shares proposed to be provisionally allotted by the Company) agreed to be taken by Da Chang, Da Feng and Da Zheng pursuant to Irrevocable Undertaking, including (i) 342,023,447 Rights Shares (representing approximately 36.97% of the maximum number of Rights Shares proposed to be provisionally allotted by the Company) by way of provisional application letters and agreed to be taken up by Da Chang, Da Feng and Da Zheng; and (ii) the 100,000,000 Rights Shares (representing approximately 10.81% of the maximum number of Rights Shares proposed to be provisionally allotted by the Company) by way of excess application to be applied by Da Feng pursuant to the Irrevocable Undertaking
Aggregate nominal value of the Rights Shares	not less than HK\$87,655,552.8 ( <i>Note 1</i> ) and not more than HK\$90,071,424.2 ( <i>Note 2</i> )
Maximum number of Shares in issue upon completion of the Rights Issue	7,205,713,939 Shares ( <i>Note 2</i> )
Maximum funds raised before expenses	approximately HK\$2,657 million ( <i>Note 2</i> )

*Notes:*

1. Assuming no change in the issued share capital of the Company on or before the Record Date.
2. Assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date.

As at the Latest Practicable Date, there are outstanding and vested Share Options exercisable on or before the Record Date to subscribe for an aggregate of 169,111,000 Shares granted pursuant to the Share Option Schemes. Assuming full exercise of the Vested Options, the maximum number of new Shares that would fall to be allotted and issued under the Share Option Schemes on or before the Record Date would be 169,111,000 Shares, which would result in the issue and allotment of 24,158,714 additional Rights Shares.

As at the Latest Practicable Date, there are outstanding Convertible Bonds in an aggregate outstanding principle amount of USD100,000,000, which are convertible into an aggregate of 175,167,784 Shares upon full conversion and pursuant to the terms of the Convertible Bonds (based on the conversion price of HK\$4.47 as adjusted as a result of the Rights Issue pursuant to the terms of the Convertible Bonds). Pursuant to the terms of the

## LETTER FROM THE BOARD

Convertible Bonds, the holders of the Convertible Bonds may not exercise the conversion right in relation to the Convertible Bonds during the Company's book closure period. From the date of the Announcement and up to 7 April 2021, being the Business Day immediately before the commencement of the book closure of the Company, none of the outstanding Convertible Bonds were converted, and accordingly no new Share was issued as a result of exercise of outstanding Convertible Bonds by the holders of the Convertible Bonds before the Record Date.

Assuming (i) no new Shares are allotted and issued pursuant to any exercise of the Vested Options on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 14.29% of the total number of Shares in issue as at the Latest Practicable Date and will represent 12.50% of the Shares in issue as enlarged by the Rights Issue; and (ii) new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all Qualifying Shareholders take up their respective allotment of Rights Shares in full, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 14.68% of the total number of Shares in issue as at the Latest Practicable Date and will represent 12.50% of the Shares in issue as enlarged by the Rights Issue.

As at the Latest Practicable Date, save for the Vested Options as detailed above, the Company has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in Rights Issue. Other than as a result of the exercise of the Vested Options, the Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-qualifying Shareholders, as well as to the holders of the Share Options and the Convertible Bonds for their information only but will not send any PAL or EAF to the Non-qualifying Shareholders.

To qualify for the Rights Issue, a Shareholder must:

- (i) be registered as a member of the Company at the close of business on the Record Date; and
- (ii) not be a Non-qualifying Shareholder.

## LETTER FROM THE BOARD

In order to be registered as members of the Company on the Record Date, the Shareholders must lodge any transfer documents of the Shares (together with the relevant share certificates) with the Registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by no later than 4:30 p.m. on Wednesday, 7 April 2021.

The Company expects to send the Prospectus Documents to the Qualifying Shareholders on Thursday, 15 April 2021.

Holders of Share Options who wish to participate in the Rights Issue should exercise the Share Options in accordance with the terms and conditions of the Share Option Schemes and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their nil-paid Rights Shares on the Stock Exchange; and/or (b) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shanghai/Shenzhen-Hong Kong Stock Connect. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts are credited with Nil Paid Rights can only sell those Nil Paid Rights on the Stock Exchange under Shanghai/Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil Paid Rights nor transfer such Nil Paid Rights to other PRC Southbound Trading Investors. According to the "Stock Connect Southbound Shareholding Search" available on the Stock Exchange's website as at the Latest Practicable Date, China Clear held 582,773,619 Shares, representing approximately 9.50% of the total issued Shares.

**The PRC Southbound Trading Investors should seek advice from their Intermediary (including broker, custodian, nominee or China Clear participant) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions for such Intermediary in relation to the acceptance and/or sale of the Nil Paid Rights. Such instructions should be given in advance of the relevant dates stated in the section headed "Expected Timetable" of this prospectus and otherwise in accordance with the requirements of the Intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.**

Qualifying Shareholders who take up their pro-rata entitlement in full under the Rights Issue will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

## LETTER FROM THE BOARD

### **Closure of register of members**

The register of members of the Company will be closed from Thursday, 8 April 2021 to Wednesday, 14 April 2021 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than (a) Hong Kong; and (b) the PRC, in accordance with the CSRC Notice. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

According to the register of members of the Company as at as at the Latest Practicable Date, there was one (1) Shareholder whose registered address was located in the British Virgin Islands, holding an aggregate of 411,218,054 Shares. The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the legal restrictions under the laws of the British Virgin Islands and the requirements of the regulatory bodies or stock exchanges of the British Virgin Islands with respect to extending the Rights Issue to the Overseas Shareholders in the British Virgin Islands. The Company has been advised by its legal advisers in the British Virgin Islands that there are no securities law or other similar laws in the British Virgin Islands to comply with in order to enable the Company to include the Overseas Shareholders whose registered address is in the British Virgin Islands in the Rights Issue. Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders having registered address in the British Virgin Islands, who are therefore Qualifying Shareholders.

Arrangements will be made for the Nil Paid Rights which would otherwise have been provisionally allotted to the Non-qualifying Shareholders to be sold in the market as soon as practicable after dealings in the Nil Paid Rights commence, and in any event before the last day for dealings in the Nil Paid Rights if a premium (net of expenses) can be obtained. The net proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Non-qualifying Shareholder(s) in Hong Kong dollars. The Company will retain individual amount of HK\$100 or less for its own benefit. Any unsold entitlements of the Non-qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give



## LETTER FROM THE BOARD

rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, such Overseas Shareholders and beneficial owners of the Shares should exercise caution when dealing in the Shares.

### Subscription Price

The Subscription Price of HK\$2.95 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 25.13% to the closing price of HK\$3.94 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 27.52% to the average of the closing prices of Shares for the five consecutive trading days ended on the Last Trading Day of approximately HK\$4.07 per Share;
- (iii) a discount of approximately 27.68% to the average of the closing prices of Shares for the ten consecutive trading days ended on the Last Trading Day of approximately HK\$4.08 per Share;
- (iv) a discount of approximately 26.38% to the average of the closing prices of Shares for the thirty consecutive trading days ended on the Last Trading Day of approximately HK\$4.01 per Share;
- (v) a discount of approximately 22.70% to the theoretical ex-rights price of approximately HK\$3.82 per Share based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vi) a discount of approximately 23.77% to the closing price of HK\$3.87 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (vii) a theoretical dilution effect of approximately 3.44% to the existing Shareholders if they elect not to/cannot participate in the Rights Issue, which is calculated based on the cumulative theoretical ex-rights price of approximately HK\$3.93 per Share; and
- (viii) a discount of approximately 52.98% to the audited net asset value attributable to owners of the Company per Share of approximately HK\$6.27 (based on the consolidated net asset value of equity attributable to owners of the Company as at 31 December 2020 of approximately RMB32,333,739,000 (equivalent to approximately HK\$38,492,546,400 based on the exchange rate of HK\$1 to RMB0.84) and the number of issued Shares as at the Latest Practicable Date of 6,135,888,697 Shares).



## LETTER FROM THE BOARD

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, and the amount of funds the Company intends to raise under the Rights Issue.

The Directors consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (a) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the Nil Paid Rights in the market; and (b) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$2.91 per Rights Share.

The Board considers that the discount of 52.98% mentioned in paragraph (viii) above is reasonable and justifiable, given that the Shares were traded at a discount to the net asset value per Share over the 12-month period up to and including the Last Trading Day ranging from approximately 28.71% on 18 September 2020 to 58.69% on 25 March 2020, with an average of approximately 41.98%. Accordingly, the Board is of the view that to it is reasonable to make reference to the market price of the Share, rather than the audited net asset value per Share, in determining the Subscription Price and that the net asset value per Share may not be a meaningful reference to determine the Subscription Price.

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share for every seven (7) Shares held by a Qualifying Shareholder as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Final Acceptance Date.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs are set out in the paragraph headed "Procedure for acceptance and payment or transfer" below and in the PAL.

### **Status of the Rights Shares**

When allotted and fully paid, each Rights Share will have a nominal value of HK\$0.10. The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

## LETTER FROM THE BOARD

### **Fractions of the Rights Shares**

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all Nil Paid Rights arising from such aggregation will be sold by the Company in the open market if a premium (net of expenses) can be obtained. Any such unsold aggregated fractions of Nil Paid Rights will be made available for excess application by the Qualifying Shareholders.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of Rights Shares arising from the Rights Issue, a designated broker is appointed to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from 9:00 a.m. on Monday, 10 May 2021 to 4:00 p.m. on Friday, 28 May 2021 (both dates inclusive). Holders of Shares in odd lots who wish to take advantage of this facility either to acquire odd lots of the Shares to make up a full board lot or dispose their odd lots of the Shares may, directly or through their brokers, contact Ms. Chan Man Li, Mandy on (852) 3550 6835, or Mr. Chan Wang Kwan, Billy on (852) 3550 6998, of Evergrande Securities (HK) Limited at Room 2004-6,20/F, China Evergrande Center, 38 Gloucester Road, Wan Chai, Hong Kong.

### **Procedure for acceptance and payment or transfer**

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, by no later than 4:00 p.m. on Thursday, 29 April 2021 (or, under bad weather conditions, such later date as mentioned in the section headed “Expected Timetable — Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares”). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “Kaisa Group Holdings Ltd — PAL” and crossed “Account payee only”. It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 29 April 2021, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provision allotment or transfer part of their rights to subscribe for the Rights Share provisionally allotted to them under the PAL or to transfer part of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 21 April 2021 to the Registrar, who will cancel the original PAL and issue

## LETTER FROM THE BOARD

new PALs in the denomination required which will be available for collection from the Registrar, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

### **Application for excess Rights Shares**

Qualifying Shareholders (other than the PRC Southbound Trading Investors) shall be entitled to apply for, by way of excess application:

- (i) any unsold Rights Shares which would have been allotted to the Non-qualifying Shareholders had they been the Qualifying Shareholders;
  - (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Nil Paid Rights; and
  - (iii) any unsold Rights Shares created by aggregating fractions of Nil Paid Rights.
- (i) to (iii) are collectively referred to as "Untaken Rights".

Applications for excess Rights Shares may be made only by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by completing the EAFs (in accordance with the instructions printed thereon) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Thursday, 29 April 2021 or such later time as the Company may determine.

Notwithstanding the provisions in the Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up excess Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction. Subject to the requirements of Rule 7.21(3)(b) of the Listing Rules, the Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on the following principles:

- (i) as far as practicable, in proportion to the number of excess Rights Shares being applied for under each application;

## LETTER FROM THE BOARD

- (ii) no preference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preference will be given to applications made for topping up odd lot holdings to whole board lot holdings.

If the aggregate number of Rights Shares underlying the Untaken Rights is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owners prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

For those investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) and would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Registrar at Shops 1712- 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the Latest Lodging Time.

Pursuant to the Irrevocable Undertaking, Da Feng has undertaken that it will make excess application by means of EAF(s) for 100,000,000 Rights Shares which are not taken up by Qualifying Shareholders (excluding the Rights Shares provisionally allotted to and undertaken to be subscribed by the Committed Shareholders pursuant to the Irrevocable Undertaking).

Any Rights Shares (excluding the Committed Shares) not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

### **Shares registered in the name of nominee companies**

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the arrangement in relation to the allocation of the excess Rights Shares set out in the above paragraph headed "Application for excess Rights Shares" will not be extended to the beneficial owners individually.

## LETTER FROM THE BOARD

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Friday, 7 May 2021.

If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other person to whom the nil paid rights have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other person to their registered addresses by the Registrar on or before Friday, 7 May 2021. No receipt will be given for such remittance.

### **Application for listing**

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue, on the Stock Exchange.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both the nil-paid Rights Shares and the fully-paid Rights Shares will be traded in board lots of 1,000 Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

### **Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

## LETTER FROM THE BOARD

### **Taxation**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

### **Irrevocable Undertaking**

As at the Latest Practicable Date, Da Chang, Da Feng and Da Zheng, each being a substantial Shareholder, hold 708,033,378 Shares, 843,065,378 Shares and 843,065,377 Shares, representing approximately 11.54%, 13.74% and 13.74%, respectively, of the issued share capital of the Company.

On 26 March 2021, the Company received from each of Da Chang, Da Feng and Da Zheng, the Irrevocable Undertaking, pursuant to which:

- (i) each of Da Chang, Da Feng and Da Zheng has irrevocably undertaken to the Company to subscribe for an aggregate of 342,023,447 Rights Shares (as to 101,147,625 Rights Shares, 120,437,911 Rights Shares and 120,437,911 Right Shares to be subscribed by Da Chang, Da Feng and Da Zheng, respectively) which will be provisionally allotted to it nil-paid in respect of the 2,394,164,133 Shares legally and beneficially owned by them in aggregate, pursuant to the terms of the Prospectus Documents; and
- (ii) each of Da Chang, Da Feng and Da Zheng has irrevocably undertaken to the Company to ensure that the 2,394,164,133 Shares currently beneficially owned by them in aggregate will not be sold, disposed or transferred by them and will remain beneficially owned by them on the Record Date; and
- (iii) Da Feng has irrevocably undertaken to the Company to apply for an additional 100,000,000 Rights Shares by way of excess application.

Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

## LETTER FROM THE BOARD

### UNDERWRITING ARRANGEMENT

#### The Underwriting Agreement

On 26 March 2021, the Company and the Underwriter entered into the Underwriting Agreement in respect of the proposed Rights Issue, pursuant to which the Rights Shares other than the Committed Shares will be fully underwritten by the Underwriter.

Principal terms of the Underwriting Agreement as follows:

Date: 26 March 2021

Underwriter: Haitong International Securities Company Limited is a company incorporated in Hong Kong with limited liability and a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and underwriting is in the ordinary and usual course of business of the Underwriter.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter has complied with Rule 7.19(1)(a) of the Listing Rules.

Number of Rights Shares underwritten: up to 434,532,080 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no change in the issued share capital of the Company on or before the Record Date), or up to 458,690,795 Rights Shares, being the maximum total number of Rights Shares issuable (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date), excluding the Committed Shares to be taken up by Da Chang, Da Feng and Da Zheng pursuant to the Irrevocable Undertaking.

Underwriting Commission: 2.5% of the aggregate Subscription Price in respect of the Underwritten Shares, which was determined on arm's length basis with reference to the prevailing market rate of similar transactions.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current



## LETTER FROM THE BOARD

and expected market condition, the market price of the Company and the prevailing underwriting commission of the market. The Directors consider that the terms of the Underwriting Agreement including the commission rate are fair and reasonable and in the interest of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Subject to the fulfillment (or waiver) of all the conditions precedent (save and except such conditions precedent (i) to (iii) which cannot be waived under the paragraphs set as out in the section headed "Conditions precedent of the Underwriting Agreement") contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe or procure subscription on the terms of the Prospectus Documents (insofar as the same are applicable) for such Untaken Shares.

### **Conditions precedent of the Underwriting Agreement**

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject only to allotment and despatch of the appropriate documents of title) and not having withdrawn or revoked listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (ii) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Posting Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and otherwise complying with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Ordinance and the Listing Rules;
- (iii) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date;
- (iv) each condition to enable the Rights Shares (in both nil-paid and fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval referred in sub-clause (i) above) having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus, and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (v) delivery of an original of a duly executed Irrevocable Undertaking on or prior to the date of the Underwriting Agreement by the Committed Shareholders to the Company and the Underwriter and fulfilment by each of the Committed Shareholders with all of its obligations in all material respects under the



## LETTER FROM THE BOARD

Irrevocable Undertaking by the times specified therein, and the Irrevocable Undertaking not having been terminated;

- (vi) all the representations, warranties and undertakings of the Company in the Underwriting Agreement as at the date of the Underwriting Agreement and up to and including the Latest Time for Termination remaining true and accurate and not misleading in all material respects, and there being, by the Latest Time for Termination: (1) no material breach in any respect; (2) no cause for the Underwriter to believe a material breach has occurred or may occur; and (3) no matter having arisen which would reasonably be expected to give rise to a material breach or claim;
- (vii) the Shares remaining listed on the Main Board of the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and
- (viii) the Underwriter receiving from the Company all conditions precedent documents as set out in the Underwriting Agreement (in such form and substance as satisfactory to the Underwriter) in accordance with the times specified therein.

Any of the conditions set out above (except conditions in (i), (ii) and (iii) above) may be waived at any time by the Underwriter, in its sole and absolute discretion, and such waiver may be in whole or in part and made subject to such terms and conditions as are determined by the Underwriter. In the event that the conditions above have not been satisfied or waived on or before 31 July 2021, all liabilities of the parties hereto shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement.

### **Lock-up Undertaking**

The Company has undertaken to the Underwriter that, except with the prior written consent of the Underwriter, the Company shall not (except for the offer, allotment and issue of the Rights Shares pursuant to the Rights Issue, the Shares converted from the Share Options and share options to be granted pursuant to the Share Option Schemes), and shall procure each other member of the Group not to, at any time during the period commencing on the date of the Underwriting Agreement and ending on, and including, the date that is 90 days after the first day of trading of the Rights Shares in fully-paid form on the Stock Exchange (the “**Lock-up Period**”):

- (i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant,

## LETTER FROM THE BOARD

contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or contract or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of the Company), or publicly disclose the intention to take any of the foregoing actions, or deposit Shares with a depositary in connection with the issue of depositary receipts; or

- (ii) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares or any other securities of the Company; or
- (iii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other securities of the Company, or any interest in any of the foregoing (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to subscribe for or purchase, any Shares or any other securities of the Company);
- (iv) enter into any transaction with the same economic effect as any transaction specified in (i) or (iii) above; or
- (v) offer to or agree to, or announce any intention to effect any transaction specified in (i), (ii), (iii) or (iv) above,

in each case, whether the transaction is to be settled by delivery of Shares or such other securities of the Company, as applicable, or in cash or otherwise (whether or not the allotment or issue of Shares or such other securities of the Company will be completed within the Lock-up Period).

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

*Scenario (1): Assuming no new Shares are allotted and issued pursuant to any exercise of the Vested Options and no change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date*

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue (assuming all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full); and (iii) immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than Da Chang, Da Feng and Da Zheng to take up the Committed Shares pursuant to the Irrevocable Undertaking and all the Untaken Shares are taken up by the Underwriter and/or subscribers procured by the Underwriter)):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue (assuming all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than Da Chang, Da Feng and Da Zheng to take up the Committed Shares pursuant to the Irrevocable Undertaking and all the Untaken Shares are taken up by the Underwriter and/or subscribers procured by the Underwriter))	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Da Chang (Note (i))	708,033,378	11.54	809,181,003	11.54	809,181,003	11.54
Da Feng (Note (ii))	843,065,378	13.74	963,503,289	13.74	1,063,503,289	15.17
Da Zheng (Note (iii))	843,065,377	13.74	963,503,288	13.74	963,503,288	13.74
Funde Sino Life Insurance Co., Ltd (Note (iv))	1,537,696,106	25.06	1,757,366,978	25.06	1,537,696,106	21.93
<b>Other director of the Company and/or its subsidiaries and their associates</b>						
Mr. MAI Fan and his associates	1,143,000	0.02	1,306,285	0.02	1,143,000	0.02
<b>The Underwriter and/or subscriber(s) procure by it</b>	-	-	-	-	434,532,080	6.20
<b>Other Public Shareholders</b>	<u>2,202,885,458</u>	<u>35.90</u>	<u>2,517,583,382</u>	<u>35.90</u>	<u>2,202,885,458</u>	<u>31.41</u>
<b>Total</b>	<u><u>6,135,888,697</u></u>	<u><u>100.00</u></u>	<u><u>7,012,444,225</u></u>	<u><u>100.00</u></u>	<u><u>7,012,444,225</u></u>	<u><u>100.00</u></u>

## LETTER FROM THE BOARD

***Scenario (2): Assuming new Shares are allotted and issued pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date***

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date; (iii) immediately after completion of the Rights Issue (assuming all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full); and (iv) immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than Da Chang, Da Feng and Da Zheng to take up the Committed Shares pursuant to the Irrevocable Undertaking and all the Untaken Shares are taken up by the Underwriter and/or subscribers procured by the Underwriter)):

Shareholders	As at the Latest Practicable Date		Immediately after full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date		Immediately after completion of the Rights Issue (assuming all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than Da Chang, Da Feng and Da Zheng to take up the Committed Shares pursuant to the Irrevocable Undertaking and all the Untaken Shares are taken up by the Underwriter and/or subscribers procured by the Underwriter))	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Da Chang (Note (i))	708,033,378	11.54	708,033,378	11.23	809,181,003	11.23	809,181,003	11.23
Da Feng (Note (ii))	843,065,378	13.74	843,065,378	13.37	963,503,289	13.37	1,063,503,289	14.76
Da Zheng (Note (iii))	843,065,377	13.74	843,065,377	13.37	963,503,288	13.37	963,503,288	13.37
Funde Sino Life Insurance Co., Ltd (Note (iv))	1,537,696,106	25.06	1,537,696,106	24.39	1,757,366,978	24.39	1,537,696,106	21.34
<b>Holders of the Vested Options (Note (v))</b>	-	-	163,111,000	2.59	186,412,571	2.59	163,111,000	2.26

## LETTER FROM THE BOARD

	As at the Latest Practicable Date		Immediately after full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date		Immediately after completion of the Rights Issue (assuming all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full)		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than Da Chang, Da Feng and Da Zheng to take up the Committed Shares pursuant to the Irrevocable Undertaking and all the Untaken Shares are taken up by the Underwriter and/or subscribers procured by the Underwriter))	
Shareholders	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Other director of the Company and/or its subsidiaries and their Associates								
Mr. MAI Fan and his associates	1,143,000	0.02	7,143,000	0.11	8,163,428	0.11	7,143,000	0.10
The Underwriter and/or subscriber(s) procure by it	-	-	-	-	-	-	458,690,795	6.37
Other Public Shareholders	<u>2,202,885,458</u>	<u>35.90</u>	<u>2,202,885,458</u>	<u>34.94</u>	<u>2,517,583,382</u>	<u>34.94</u>	<u>2,202,885,458</u>	<u>30.57</u>
Total	<u><u>6,135,888,697</u></u>	<u><u>100.00</u></u>	<u><u>6,304,999,697</u></u>	<u><u>100.00</u></u>	<u><u>7,205,713,939</u></u>	<u><u>100.00</u></u>	<u><u>7,205,713,939</u></u>	<u><u>100.00</u></u>

*Notes:*

- (i) Da Chang is a company wholly owned by Mr. Kwok.
- (ii) Da Feng is a company wholly owned by Xingsheng Asia Limited, which is in turn wholly owned by Hongyi Asia Limited, which is in turn wholly owned by Junjia Enterprises Corporation. Junjia Enterprises Corporation is wholly owned by Bank of East Asia (Trustees) Limited, being the trustee of the Family Trust of which Mr. Kwok is the founder.
- (iii) Da Zheng is a company wholly-owned by Mr. Kwok Ying Chi, brother of Mr. Kwok.
- (iv) Funde Sino Life Insurance Co., Ltd. is interested in 1,537,696,106 Shares pursuant to which 887,995,149 Shares are held by Fund Resources Investment Holding Group Company Limited, which was wholly owned by Funde Sino Life Insurance Co., Ltd. Accordingly, Funde Sino Life Insurance Co., Ltd is deemed to be interested in Shares held by Fund Resources Investment Holding Group Company Limited.
- (v) Pursuant to the exercise in full of all the Vested Options.

## LETTER FROM THE BOARD

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL PAID RIGHTS**

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this prospectus for further details. Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Thursday, 1 April 2021. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 19 April 2021 to Monday, 26 April 2021 (both dates inclusive).

Any dealings in the Shares from the date of the Latest Practicable Date up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

## LETTER FROM THE BOARD

### REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department stores and cultural centre operations, water-way passenger and cargo transportation, in the PRC.

The Board is of the view that the Rights Issue will enable the Company to improve its capital structure. The expected gross proceeds, net proceeds and net price per Rights Share from the Rights Issue are set out below:

	<b>Assuming no change in the issued share capital of the Company on or before the Record Date, and no Qualifying Shareholders take up any of the Rights Shares (other than Da Chang, Da Feng and Da Zheng to take up the Committed Shares pursuant to the Irrevocable Undertaking)</b>	<b>Assuming no change in the issued share capital of the Company on or before the Record Date, and all the Qualifying Shareholders taking up their respective allotment of Rights Shares in full</b>	<b>Assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date, and all Qualifying Shareholders taking up their respective allotment of Rights Shares in full</b>
	<i>HK\$</i> <i>(approximately)</i>	<i>HK\$</i> <i>(approximately)</i>	<i>HK\$</i> <i>(approximately)</i>
Gross proceeds	2,586 million	2,586 million	2,657 million
Net proceeds	2,552 million	2,552 million	2,621 million
Net price per Rights Share	2.91	2.91	2.91

Reference is also made to the announcement of the Company dated 25 March 2021 in relation to the potential acquisition of a real estate project in Beijing, the PRC, namely, 耀輝國際城項目 (Yaohui International City Project\*) for a consideration of RMB13,000,000,000 (the “**Potential Acquisition**”). As disclosed in the announcement of the Company dated 25 March 2021, the Company intended to fund the consideration for the Potential Acquisition by the internal resources of the Group (including equity financing and/or fund raising exercise to be conducted by the Company) and, where possible, loans from financial institutions. Any debt financing for the purpose of funding the Potential Acquisition will be project-specific. The Company currently intends to use the net proceeds from the Rights Issue to fund a portion of the consideration for the Potential Acquisition. In the event that the Potential Acquisition does not proceed to completion,

## LETTER FROM THE BOARD

the net proceeds from the Right Issue will be applied for the Group's general working capital to further develop the Group's property development business, including but not limited to acquisition of other real estate project should suitable opportunities arise.

The Board considers that the Rights Issue represents an opportunity to raise capital for the Group while broadening its Shareholder and capital base. The Rights Issue will also raise additional capital for the purpose to finance the Group's long term growth which will enhance its financial position without increasing finance costs. Accordingly, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

### **Alternative fund-raising methods considered by the Company**

In order to improve the financial position, save for the Rights Issue, the Group has considered other fund-raising alternatives including but not limited to debt financing and equity financing such as the placing of new Shares and open offer. The Board is of the view that the Rights Issue would be the preferred means for the Group to raise funds for the reasons as follows:

With respect to equity financing, the Board considers that placing of new Shares would be a suboptimal fund-raising means as it will lead to an immediate dilution in shareholding interest of the existing Shareholders without offering them opportunities to participate in the enlargement of the capital base of the Company. The Board has also considered conducting pro rata fund-raising by way of open offer, which is of similar nature as the Rights Issue. Under the Rights Issue, nil-paid Rights Shares will be allotted to the Qualifying Shareholders and they can liquidate their entitlement rights by disposing such nil-paid Rights Shares during the prescribed period of time for economic benefits (if they do not wish to subscribe for the Rights Shares). However, under an open offer, there are no nil-paid rights shares to be allotted and the Shareholders cannot realise and liquidate their entitlement rights. Therefore, the Rights Issue would be more favorable as it offers the Qualifying Shareholders an option to sell their entitlement rights when comparing with an open offer. Shareholders are advised that for Qualifying Shareholders who do not take up Rights Shares to which they are entitled should note that their respective shareholdings in the Company will be diluted. The Board is of the view that the Rights Issue will enable the Company to improve its capital structure.

With respect to debt financing, it is expected that the Company will obtain loans from independent financial institutions to funding a portion of the consideration of the Potential Acquisition. However, taking into consideration that debt financing will involve recurring interest expense, it is not considered as desirable to fund the entire Potential Acquisition by way of debt financing.



## LETTER FROM THE BOARD

### **General working capital**

As at 31 December 2020, the Company had cash and bank balances of RMB36 billion. Despite the Company's existing cash position, the Board is of the view that it is reasonable for the Company to maintain a high level of cash for liquidity risk management and to maintain a healthy financial ratio such as short term cash to short-term debt ratio as a whole. It is crucial for the Company to have the ability and flexibility to respond to the changing market conditions in a timely manner and to have readily available cash resources at reasonable cost as assessed by the Directors from time to time.

As stated in the paragraph above, the Company currently intends to use the net proceeds from the Rights Issue to fund a portion of the consideration for the Potential Acquisition. Given that the Potential Acquisition is also expected to be funded by other means of financing, including if possible, loans from financial institution, the Company is of the view that the Company's funding need for the next 12 months can be satisfied taking into consideration of the Group's existing cash level as well as the expected net proceeds from the Rights Issue.

### **EQUITY FUND RAISING EXERCISE OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company did not conduct any equity fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

### **SHAREHOLDERS' APPROVAL NOT REQUIRED FOR RIGHTS ISSUE**

As the proposed Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50%, there is no requirement under the Listing Rules for the Rights Issue to be approved by the Shareholders in a general meeting.

### **POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES AND THE ADJUSTMENT TO THE CONVERTIBLE BONDS**

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the Share Option Schemes.

The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Schemes and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Reference is made to the announcement of the Company dated 9 April 2021, the conversion price of the Convertible Bonds has been adjusted from HK\$4.63 per share to HK\$4.47 per Share pursuant to the terms of the Convertible Bonds.

**LETTER FROM THE BOARD**

**ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,  
By Order of the Board  
**KAISA GROUP HOLDINGS LTD.**  
**Kwok Ying Shing**  
*Chairman*

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group, together with the notes thereto, for the three years ended 31 December 2017, 2018 and 2019 have been set out in the annual reports of the Company for the years ended 31 December 2017 (from pages 103 to 228, <https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0427/ltn201804272406.pdf>), 31 December 2018 (from pages 93 to 256, <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0429/ltn201904293244.pdf>) and 31 December 2019 (from pages 137 to 308, <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042901978.pdf>) respectively. The audited consolidated financial statements of the Group, together with the notes thereto, for the year ended 31 December 2020 have been disclosed in the annual results announcement of the Company for the year ended 31 December 2020 (from pages 2 to 25, <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0325/2021032500585.pdf>).

All the above reports of the Company have been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.kaisagroup.com](http://www.kaisagroup.com)).

## 2. INDEBTEDNESS STATEMENT

At the close of business on 28 February 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had the following indebtedness:

### Borrowings and debts

As at the close of business on 28 February 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately RMB121,592 million, details of which are set out below:

	<i>RMB'000</i>
Bank and other borrowings	
Secured	32,195,521
Unsecured	18,280,123
Senior Notes	70,344,476
Convertible Bonds	663,398
Loan from a related company	108,781

The Group's secured bank and other borrowings were secured by land and buildings, land use right, investment properties, properties under development, completed properties held for sales, short-term bank deposits and restricted cash.

**Financial guarantee and contingent liabilities**

As at the close of business on 28 February 2021, the Group's financial guarantee and contingent liabilities were as follows:

	<i>RMB'000</i>
Mortgage facilities for certain purchasers of properties	28,562,797

*Note:* The guarantees in respect of mortgage facilities granted by certain banks related to mortgage loans arranged for certain purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. Such guarantees expire or terminate upon the earlier of (i) issuance of the property ownership certificates which are generally be available within six months to one year after the purchasers take possession of the relevant properties; and (ii) the mortgage loans obtained by the purchasers of properties.

**Lease liabilities**

The Group has adopted HKFRS 16 Leases using a modified retrospective approach on 1 January 2019. The Group applies HKFRS 16 to contracts that were previously identified as leases under Hong Kong Accounting Standard 17 Leases and uses the exemptions allowed by the standard on short-term leases and lease contracts whose lease terms end within 12 months as of the date of the initial application. The Group measures the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate and measures the right-of-use asset at an amount equal to the lease liability, adjusted by any prepaid or accrued lease payments. As at 28 February 2021, the Group has current and non-current lease liabilities amounted to RMB103 million and RMB453 million, respectively.

**Commitments**

As at the close of business on 28 February 2021, the Group had capital commitments, which were contracted but not provided for, in respect of acquisitions of land use rights and property development activities of approximately RMB26,926 million, acquisitions of subsidiaries of approximately RMB54 million and acquisition of an associate and a joint venture of RMB360 million.

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities and payables in the Group's ordinary course of business, as at the close of business on 28 February 2021, the Group did not have any outstanding borrowings, mortgages, charges, debentures or debt securities issued and outstanding, authorised or otherwise created but unissued, or other similar indebtedness, hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities.

**3. WORKING CAPITAL STATEMENT**

The Directors, after due and careful enquiry, taking into account the financial resources available to the Group, including the internally generated funds, the available

banking facilities and the estimated net proceeds of the Rights Issue, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this prospectus.

#### 4. MATERIAL ADVERSE CHANGE

The Directors confirmed that there were no material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

#### 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department store and cultural centre operations, water-way passenger and cargo transportation and healthcare business in the PRC.

The Group's revenue was primarily derived from business segments: (i) property development, (ii) property investment, (iii) property management, (iv) hotel and catering operations, (v) cinema, department store and cultural centre operations, (vi) water-way passenger and cargo transportation, (vii) health care operations and (viii) others.

##### **Property Development**

Revenue of the Group from sales of properties amounted to approximately RMB51,194.4 million in 2020. As at 31 December 2020, the Group had 105 projects under development with an aggregate of gross floor area ("GFA") of approximately 16.44 million sq.m..

##### **Property Investment**

Revenue of the Group from rental income amounted to approximately RMB543.7 million in 2020. 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 long-term growth potential, the overall market conditions, and its cash flows and financial condition. As at 31 December 2020, the Group held 19 investment property projects, with an aggregate GFA of 1.33 million sq.m., including completed investment properties of GFA of 0.54 million sq.m. for leasing purpose.

##### **Property Management**

Revenue of the Group from property management services amounted to approximately RMB1,349.2 million in 2020. The Group managed a total GFA of approximately 57.5 million sq.m.. The Group's property management is striving to deliver excellent and professional services to its customers and enhance brand and corporate image. As at 31 December 2020, the Group's property services penetrated into 51 cities nationwide, covering residential, commercial, office, tourism and large-scale stadiums.

**Hotel and Catering Operations, Cinema, Department Store and Cultural Centre Operations, Water-way Passenger and Cargo Transportation**

Revenue of the Group from hotel and catering operations, cinema, department store and cultural centre operations and water-way passenger and cargo transportation amounted to approximately RMB263.4 million, RMB158.2 million and RMB424.4 million respectively in 2020. Due to the outbreak of the COVID-19 pandemic, the performance of these business segments have been negatively affected. It is expected that the COVID-19 pandemic will gradually come under control. However, the degree of recovery and rebound in growth of the global economy still hinge on the integrated effects of a series of factors including the development trend of the COVID-19 pandemic, the adjustment of global value chain, the foreign economic policy of the U.S. government, the intensity and effect of different countries' fiscal and monetary policies as well as the stability of the global financial market.

**Health Care Operations**

The Group acquired a pharmaceutical company in 2019 and the health care operations has become significant to the Group. Revenue from health care operations of the Group amounted to approximately RMB491.0 million in 2020 and is expected to continue to increase in 2021.

The Company received high recognition for its performance in the capital market during the Year. Subsequent to the inclusion in Hang Seng Composite Index, Hang Seng Composite LargeCap & MidCap Index, and Hang Seng Stock Connect Greater Bay Area Index, the Company was included as a constituent of Hang Seng Large-Mid Cap Value Tilt Index and Hang Seng Large-Mid Cap (Investable) Index in May and October 2020, respectively, which helps the Company to become the investment target of more index funds. The Company's share performance outperformed by far Hang Seng Index and Hang Seng Properties Sub-index during the year ended 31 December 2020.

The Company will implement a prudent land acquisition strategy on the investment side and develop projects through cooperation, to realise complementary strengths, reduce investment risks, lower land expenditures, and ensure sufficient cash flow. At the same time, the Group will accelerate the conversion of urban renewal projects to develop high-quality projects with high profitability by the Company. On the sales side, the Group will continue to accelerate collection of sales proceeds and boost sales through online and offline collaborative sales activities. On the operation side, through continuous improvements in product research and development capacity and cost control ability, the Company will accelerate project construction, display, delivery and provision of services, which in turn will enhance product price premium and increase profits. On the financing side, the Company will strive to actively expand financing channels, improve maturity profile and reduce financing costs. As urbanisation continues to benefit China's real estate industry and with the ongoing advantages provided by the Central Government's favourable policies regarding the Greater Bay Area and the pilot demonstration area of Shenzhen, the Company will ride the tide of time to keep on actively exploring investment opportunities brought by the development of large and medium-sized city clusters in China, grasp the potential of regional economic and industrial development and population policy, and achieve balance between the development of scale and profit enhancement in order to steadily forge ahead.

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

*For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue.*

**Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group (the “**Unaudited Pro Forma Financial Information**”) is prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the proposed rights issue of 876,555,528 of HK\$0.10 each at HK\$2.95 per Rights Share on the basis of one Rights Share for every seven existing shares of the Company (the “**Rights Issue**”) and on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 31 December 2020.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020, as extracted from the published annual report of the Company for the year ended 31 December 2020, after incorporating the unaudited pro forma adjustments described in the accompanying notes, as if the Rights Issue had taken place on 31 December 2020.

The Unaudited Pro Forma Financial Information of the Group has been prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2020 or at any future date.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 RMB'000 (Note 1)	Estimated net proceeds from the Rights Issue RMB'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group RMB'000	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 per Share RMB (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 immediately after the completion of the Rights Issue per Share RMB (Note 4)	HK\$ (Note 6)
Based on 876,555,528 Rights Shares to be issued	31,057,334	2,147,588	33,204,922	5.06 per share	4.74 per share	5.63 per share

*Notes:*

- (1) The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 is calculated based on the consolidated net assets of the Group of approximately RMB32,333,739,000 after deducting goodwill and intangible assets of approximately RMB1,276,405,000 as at 31 December 2020, as extracted from the Group's consolidated financial statements as included in the annual report of the Company for the year ended 31 December 2020.
- (2) The estimated net proceeds from the Rights Issue of approximately RMB2,147,588,000 is calculated based on 876,555,528 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 6,135,888,697 Shares in issue as at the Latest Practicable Date) at the Subscription Price of HK\$2.95 per Rights Share and after deduction of estimated related expenses of approximately HK\$34,047,000 (equivalent to approximately RMB28,654,000). For the purpose of the Unaudited Pro Forma Financial Information, translations of HK\$ into RMB or vice versa have been calculated by using an exchange rate of HK\$1.19 equal to RMB1.00. No representation is made that HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at the applied rate or at any other rates, or at all.
- (3) The number of Shares used for the calculation of the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 per Share is based on 6,135,888,697 Shares of the Company in issue as at 31 December 2020.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 immediately after completion of the Rights Issue per Share is calculated based on 7,012,444,225 Shares which comprise 6,135,888,697 Shares in issue as at 31 December 2020 and 876,555,528 Rights Shares assumed to be issued on completion of the Rights Issue.
- (5) No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2020.
- (6) For the purpose of unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2020 immediately after completion of the Rights Issue per Share, the amount stated in RMB is converted into HK\$ at the rate of HK\$1.19 to RMB1.00. No representation is made that RMB amounts have been, could have been or may be converted to HK\$, or vice versa, at that rate or at any other rate, or at all.



**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON  
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

*The following is the text of a report prepared by Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong in respect of the Unaudited Pro forma Financial Information of the Group for the purpose of incorporation in this Prospectus.*



15 April 2021

**To the Directors of Kaisa Group Holdings Ltd.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Kaisa Group Holdings Ltd. (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the Company as at 31 December 2020, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on pages 43 to 44 of the Company’s prospectus dated 15 April 2021, in connection with the proposed rights issue of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 43 to 44.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue on the Group’s financial position as at 31 December 2020 as if the proposed rights issue had taken place at 31 December 2020. As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s consolidated financial statements as included in the annual report for the year ended 31 December 2020.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Review of Financial Statements, and other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountant’s Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed rights issue at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

### **Grant Thornton Hong Kong Limited**

*Certified Public Accountants*

Level 12

28 Hennessy Road

Wanchai

Hong Kong

### **Chiu Wing Ning**

Practicing Certificate Number: P04920

## 1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date were and (ii) immediately following completion of the Rights Issue (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to completion of the Rights Issue) are expected to be as follows:

### (a) As at the Latest Practicable Date

	<i>HK\$</i>
<i>Authorised share capital</i>	
50,000,000,000	5,000,000,000
	<i>HK\$</i>
<i>Issued and paid up share capital</i>	
6,135,888,697	613,588,769.7

### (b) Upon completion of the Rights Issue

		<i>HK\$</i>
	<i>Rights Shares to be issued</i>	
876,555,528	Shares (assuming no further issue or repurchase of Shares on or before the Record Date)	87,655,552.8
900,714,242	(assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date)	90,071,424.2

HK\$

*Shares in issue upon completion of the Rights Issue*

7,012,444,225	(assuming no further issue or repurchase of Shares on or before the Record Date)	701,244,422.5
7,205,713,939	(assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all Vested Options but otherwise no other change in the issued share capital of the Company on or before the Record Date)	720,571,393.9

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank *pari passu* with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save for the outstanding Share Options and Convertible Bonds disclosed in this prospectus, the Company had no outstanding convertible securities, options, or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, save for the outstanding Share Options and Convertible Bonds disclosed in this prospectus, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for

Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

**Long position in the Shares and underlying Shares of the Company**

<b>Name of director</b>	<b>Capacity</b>	<b>Number of Share held</b>	<b>Approximate percentage of the Company’s total issued share capital</b>
KWOK Ying Shing	Interest in controlled Corporation	1,551,098,756 (L)	25.28%
SUN Yuenan	Beneficial owner	39,020,000 (L)	0.64%
MAI Fan	Beneficial owner	10,000,000 (L)	0.16%
LI Haiming	Beneficial owner	8,770,000 (L)	0.14%
RAO Yong	Beneficial owner	1,900,000 (L)	0.03%
ZHANG Yizhao	Beneficial owner	1,400,000 (L)	0.02%
LIU Xuesheng	Beneficial owner	1,200,000 (L)	0.02%

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## 4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

- (a) As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, Shareholders (other than Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which could fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the total issued share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of substantial shareholder	Capacity	Number of shares (Note 1)	Approximate percentage of the issued share capital of the Company (%)
Da Chang	Beneficial owner	708,033,378 (L) (Note 2)	11.54%
Da Feng	Beneficial owner	843,065,378 (L) (Note 3)	13.74%
BEA Trustees	Trustee	843,065,378 (L) (Note 3)	13.74%
Da Zheng	Beneficial owner	843,065,377 (L)	13.74%
Funde Sino Life Insurance Co., Ltd.	Beneficial owner Interest in a controlled corporation	649,700,957 (L) 887,995,149 (L) (Note 4)	25.06%
Fund Resources Investment Holding Group Company Limited	Beneficial owner	887,995,149 (L)	14.47%
Haitong Securities Co., Ltd.	Interest of controlled corporation	685,224,217 (L) 75,611,588 (S) (Note 5, 6)	11.17% 1.23%
Haitong International Holdings Limited	Interest of controlled corporation	685,224,217 (L) 75,611,588 (S) (Note 5, 6)	11.17% 1.23%

Name of substantial shareholder	Capacity	Number of shares (Note 1)	Approximate percentage of the issued share capital of the Company (%)
Haitong International Securities Group Limited	Interest of controlled corporation	685,224,217 (L)	11.17%
		75,611,588 (S) (Note 5, 6)	1.23%
Haitong International Securities Company Limited	Underwriter	483,107,148 (L) (Note 5)	7.87%
	Person having a security interests in shares	4,906,000 (L)	0.08%

## Notes:

- The letter "L" denotes the person's long position in the Shares and the letter "S" denotes the person's short position in the Shares.
- Da Chang is wholly owned by Mr. Kwok.
- Da Feng is wholly owned by Xingsheng Asia Limited, which is in turn wholly owned by Hongyi Asia Limited, which is in turn wholly owned by Junjia Enterprises Corporation. Junjia Enterprises Corporation is wholly owned by BEA Trustees. BEA Trustees is the trustee of 843,065,378 Shares under a family trust of which Mr. Kwok Ying Shing is the founder of the trust.
- 887,995,149 Shares were held by Fund Resources Investment Holding Group Company Limited, which was wholly owned by Funde Sino Life Insurance Co., Ltd. By virtue of SFO, Funde Sino Life Insurance Co., Ltd. is deemed to be interested in Shares held by Fund Resources Investment Holding Group Company Limited.
- Such interests includes 483,107,148 Shares are which the Underwriter is deemed to be interested in pursuant to its underwriting obligations under the Underwriting Agreement (assuming new Shares are allotted and issued pursuant to the full exercise of all Vested Options and full conversion of the Convertible Bonds but otherwise no other change in the issued Shares of the Company from the date of the Underwriting Agreement to the Record Date).
- As mentioned in note 5 above, the Underwriter is deemed to be interested in 483,107,148 Shares pursuant to its underwriting obligations under the Underwriting Agreement. The Underwriter is also interested in 4,906,000 Shares through margin financing. Haitong International Financial Solutions Limited ("**Haitong Financial Solutions**") is interested in 75,611,588 Shares as long position and 75,611,588 Shares as short position through derivative products. Haitong International Financial Products Limited ("**Haitong Financial Products**") is interested in 121,599,481 Shares, which is in relation to the convertible bonds that give rise to derivative interest in the Company. Each of the Underwriter, Haitong Financial Solutions and Haitong Financial Products is 100% controlled by Haitong International (BVI) Limited, which is in turn 100% controlled by Haitong International Securities Group Limited. Haitong International Securities Group Limited is 64.60% controlled by Haitong International Holdings Limited, which is in turn 100% controlled by Haitong Securities Co., Ltd..
- The percentage were calculated based on 6,135,888,697 shares in issue as at the Latest Practicable Date.



As at the Latest Practicable Date, the Directors or chief executive of the Company were not aware of any other person (other than Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the total issued share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

#### 5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors had, directly or indirectly, any interest in any assets which have since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

#### 6. EXPERT

The following is the qualifications of the expert who has given opinions or advice, which are contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
Grant Thornton Hong Kong Limited ("Grant Thornton")	Certified Public Accountants

As at the Latest Practicable Date, Grant Thornton did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to any member of the Group, respectively, since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Grant Thornton has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of its report and references to its name in the form and context in which they appear.

## 7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

## 8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

## 9. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, had been entered into by members of the Group within the two years immediately preceding the date of this prospectus and are or may be material:

- (a) the Underwriting Agreement;
- (b) a conditional sale and purchase agreement dated 25 March 2021 entered into between Acme Victory Investments Limited, Ascending Power Investments Limited, 北京誠義豪泰投資管理有限公司 (Beijing Chengyi Haotai Investment Management Co., Ltd.\*), as vendors, the Company as purchaser and Mr. Kwok as guarantor in relation to the acquisition of the equity interest and certain sale loan (as the case may be) in Hong Da Development & Investment Holding Co. Limited (泓達投資有限公司), Logic Capital Limited and 北京耀輝置業有限公司 (Beijing Yaohui Real Estate Co., Ltd.\*); and
- (c) an agreement dated 14 November 2019 entered into between Kaisa Financial Group Company Limited as purchaser, the Company and Mr. Kwok Hiu Kwan and the spouse of Mr. Kwok as vendors in relation to the acquisition of 91% of equity interest in the target company and the loan due from the target company to Mr. Kwok.

Save for the above, the Group did not enter into any contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus and are or may be material.

**10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**

Registered office of the Company	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Authorised representatives	Mr. SUN Yuenan Mr. MAI Fan
Company secretary	Mr. YU Kwok Leung
Legal advisers to the Company in relation to the Rights Issue and as to laws of Hong Kong	Sidley Austin 39/F, Two International Finance Centre, Central Hong Kong
Underwriter	Haitong International Securities Company Limited 22/F, Li Po Chun Chambers 189 Des Voeux Road Central, Hong Kong
Auditor and reporting accountant	Grant Thornton Hong Kong Limited Level 12, 28 Hennessy Road, Wan Chai Hong Kong
Share registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai, Hong Kong
Principal bankers	Bank of China Limited Industrial and Commercial Bank of China Limited Ping An Bank Company Limited China Citic Bank Corporation Limited China Minsheng Banking Corp. Ltd.

**11. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT****(a) Profiles of Directors and senior management***Executive Directors*

**KWOK Ying Shing (郭英成)**, aged 56, is the Chairman of the Board and an executive Director of the Company. He is also the chairman of the nomination committee and a member of the remuneration committee of the Board. He is one of the founders of the Group and was the Chairman and a Director since its inception in 1999. He resigned as the Chairman and an executive Director in December 2014 and was re-appointed as the Chairman and an executive Director in April 2015. Mr. Kwok is primarily responsible for overall strategy, investment planning and human resource strategy of the Group. Mr. Kwok has extensive experience in real estate development, investment and financing management.

**SUN Yuenan (孫越南)**, aged 57, has been an executive Director since November 2009. He is also a Vice Chairman and an authorised representative of the Company for the purpose of the Listing Rules and Companies Ordinance. Mr. Sun is primarily responsible for investment and management of the Group. Mr. Sun joined the Group in July 2001 as chief administrative director of Kaisa Group (Shenzhen) Co., Ltd. ("**Kaisa Group (Shenzhen)**") and has held various positions within the Group, including senior vice president of the Group, deputy general manager of Kaisa Group (Shenzhen) and general manager of Guangzhou Jinmao Property Development Co., Ltd. Mr. Sun has extensive regulatory and business administration experience in the real estate industry. From 1993 to 2001, Mr. Sun served in various positions, including deputy chief of administrative office, deputy chief of legal division and deputy chief of personnel division, in Hengyang Municipal Bureau of Land Resources, which oversaw land resources in the city of Hengyang, Hunan Province. Mr. Sun received a bachelor's degree in law from the Correspondence Institute of the Academy of the Central Committee of the Communist Party of China in December 2001.

**MAI Fan (麥帆)**, aged 42, has been an executive Director since July 2017. He is also a Vice Chairman, the Chief Executive Officer and an authorized representative of the Company for the purpose of the Listing Rules and Companies Ordinance. Mr. Mai is responsible for the overall management and daily operations of the Group. Mr. Mai also serves as the director of Urban Renewal Group, Shenzhen Football Club and Poverty Alleviation Group. Prior to joining the Group in August 2015, Mr. Mai served at the Shenzhen Municipal Highway Bureau and Futian Government, Shenzhen from July 2001 to July 2015. Mr. Mai received his bachelor of laws from the Sun Yat-sen University in 2001 and received the qualification of legal profession in 2002.

**Mr. Li Haiming (李海鳴)**, aged 46, has been an executive Director since April 2020. He is also the Chief Operating Officer of the Group since January 2019. He is in charge of management and investment of the real estate sector of the Group. Since March 2020, he also serves as senior management of various subsidiaries of the Group, including as the chairman of each of Dingsheng Park Entertainment Group Services Co., Ltd\* (鼎盛樂園娛樂集團服務有限公司) and International Park Group\* (國際樂園集團); the president and chairman of Kaisa Services Co., Ltd\* (佳兆業服務有限公司), the general manager of Kendu Project Development Co., Ltd\* (肯渡專案開發公司). Mr. Li joined the Group in July 2002, and has served in various positions in the Group, including as the vice-president of the Group from July 2017 to January 2019, senior management of real estate of Shenzhen from May 2015 to July 2017, senior management of real estate of Changsha from July 2007 to July 2014. Mr. Li was appointed as an executive director of Kaisa Prosperity Holdings Limited (a company listed on the Stock Exchange, stock code: 2168) on 8 April 2020. Mr. Li graduated from the Party School of the Guangdong Provincial Committee of the CPC (廣東省委黨校) with a bachelor's degree in business management in July 2000. He also specialised in architecture and graduated from Chongqing Jianzhu College (重慶建築工程學院) in July 1994.

**Mr. Kwok Hiu Kwan (郭曉群)**, aged 29, has been an executive Director since April 2020. He is also the chairman and president of the Shanghai region of the Group. He is responsible for overseeing the Group's business (including mergers and acquisitions, property developments, investments and financing) and business development in Shanghai. Mr. Kwok was working as the vice president of the real estate of the Group's Shanghai region from May 2018 to March 2020. Since March 2020, he has been appointed as chairman of the Shanghai region of the Group. Mr. Kwok graduated from Essex University in the United Kingdom with a bachelor's degree in finance management in July 2013 and obtained a master in sociology from University College London in the United Kingdom in July 2014.

#### *Non-executive Directors*

**CHEN Shaohuan (陳少環)**, aged 55, has been a non-executive Director of the Company since 26 December 2013. She received a Diploma in Economics and Management from the Social Science Faculty of South China University of Technology in the People's Republic of China in July 1987. Ms. Chen joined Sino Life Insurance Co., Ltd. (生命人壽保險股份有限公司) ("**Sino Life Insurance**") from December 2013 to November 2016 and was the deputy general manager of the asset management centre of Sino Life Insurance. Prior to joining Sino Life Insurance, Ms. Chen was the manager of the investment division of Shenzhen Fengsheng Investment Group Company Limited\* (深圳市豐盛投資集團有限公司) from June 1995 to November 2013. Ms. Chen was also the deputy general manager of a subsidiary of Shenzhen Wuzhi Group Company\* (深圳市物資總公司) engaging in construction material business from September 1983 to May 1995.

*Independent Non-executive Directors*

**ZHANG Yizhao (張儀昭)**, age 50, has been an independent non-executive Director of the Company since 17 November 2009. Mr. Zhang is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He is also a director of China Carbon Graphite Group Inc. (OTC BB: CHGI) and HH Biotechnology Holdings Company (OTC BB: HHBT). Mr. Zhang has over 19 years of experience in accounting and internal control, corporate finance, and portfolio management. Previously, Mr. Zhang was the CFO or director at various public companies listed in the US, Hong Kong and Tokyo. Mr. Zhang also had experiences in portfolio management and asset trading at Guangdong South Financial Services Corporation from 1993 to 1999. He is a Certified Public Accountant of the State of Delaware, and a member of the American Institute of Certified Public Accountants (AICPA). He also has the Chartered Global Management Accountant (CGMA) designation. Mr. Zhang graduated with a bachelor's degree in economics from Fudan University, Shanghai in 1992 and received a Master of Business Administration with concentrations in financial analysis and accounting from the State University of New York at Buffalo in 2003.

**RAO Yong (饒永)**, aged 62, has been an independent non-executive Director of the Company since 17 November 2009. Mr. Rao is also the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee. Mr. Rao is currently a director of Shenzhen Pengcheng Certified Public Accountants Co. Ltd. He is a member of the Chinese Institute of Certified Public Accountants (CICPA) and a certified public valuer in China. Mr. Rao has over 28 years of experience in accounting and auditing. Mr. Rao was a director of the Audit Bureau of Shenzhen City from 1991 to 1997 and a head of the Audit Bureau of Wuzhou City, Guangxi Province from 1987 to 1990. Mr. Rao has also been a director of The Chinese Institute of Certified Public Accountants since 1996, a director of the Shenzhen Institute of Certified Public Accountants since 1996 and its president since 2005, a forensic accounting expert of Shenzhen City since 2002 and the deputy secretary-general of the Asset Evaluation Association of Shenzhen City since 1997. Mr. Rao was appointed as an independent non-executive director of Maoye International Holdings Limited (a company listed on the Stock Exchange, stock code: 848) on 29 April 2020. Mr. Rao received a diploma in accounting from Guangxi College of Finance and Economics, China in July 1980.

**LIU Xuesheng (劉雪生)**, aged 57, has been an independent non-executive Director of the Company since 28 February 2017. Mr. Liu joined Shenzhen Institute of Certified Public Accountants (深圳市註冊會計師協會) ("SZICPA") since February 1999 and is currently the deputy secretary general. Prior to joining the SZICPA, Mr. Liu was the accountant of OCT Group (深圳華僑城集團) from April 1992 to February 1999. Mr. Liu graduated from Jiangxi Institute of Finance and Economics (江西財經學院) (now known

as the Jiangxi University of Finance and Economics (江西財經大學) with a bachelor degree in 1989 and graduated from Shanghai University of Finance and Economics (上海財經大學) majoring in accounting and obtained a master degree in economics in 1992. He was admitted as Certified Public Accountants in the People's Republic of China in 1995. Mr. Liu is currently an independent non-executive director of Telling Telecommunication Holdings Co., Ltd. (天音通信控股股份有限公司), Huafu Top Dyed Melange Yarn Co., Ltd. (華孚色紡股份有限公司) and EDAN Instruments, INC. (深圳市理邦精密儀器股份有限公司), which are companies listed on the Shenzhen Stock Exchange. From June 2008 to June 2011, Mr. Liu was the independent non-executive director of Dongjiang Environmental Company Limited (stock code: 895), a company listed in Hong Kong.

#### *Senior Management*

**ZHANG Huagang (張華綱)**, aged 57, is the vice-chairman of the Group. He joined the Group in April 2020 and now serves as the chairman of Kaisa International Group, Kaisa Hotel Group, Kaisa Technology Innovation Group, and Kaisa International Resorts Group. Before joining Kaisa Group, Mr. Zhang had worked in Gemdale Group, Zendai Property, etc. Mr. Zhang had earned his bachelor's degree in Industrial Automation from Huazhong University of Science and Technology in June 1982, and he graduated from New York State University with a master's degree in Business Administration in January 1989.

**WU Jianxin (吳建新)**, aged 42, is the Chief Financial Officer of the Group, and is mainly responsible for finance, taxation and fund management. Mr. Wu joined the Group in August 2015 and served as the general manager of the capital management department, the general manager of the financial management department, the assistant president and vice president of the Group. Before joining the Group, Mr. Wu successively engaged in capital management in Shenzhen Zhongdian Investment Co., Ltd., Huawei Technology Co., Ltd. and Country Garden Holding (Group) Co., Ltd. Mr. Wu graduated from Zhongnan University of Economics and Law with a bachelor's degree in Economics in July 2001.

**SUEN Wai Kin (孫暉健)**, aged 41, is the Co-Chief Financial Officer of the Group. Before Mr. Suen joined the Group in May 2020, he once worked for Bank of America, Zhaofeng Investment Co., Ltd, BOC International (China) Co., Ltd, Founder Securities (Hong Kong) Co., Ltd, taking charge of Investment management. In May 2002, Mr. Suen graduated from University of Michigan in the United States with a bachelor's degree in Business Administration.

**ZHAI Xiaoping (翟曉平)**, aged 41, is a senior vice president of the Group and the president of the investment department of the Group, and is mainly responsible for the investment of the Group. Ms. Zhai joined the Group in July 2007 and served as the president of the Group's investment and financing



management department, vice president of the Investment and Financing Group and vice president of Shenzhen Kaisa Financial Group. Ms. Zhai graduated from Peking University with a bachelor's degree in law in 2007.

**LIU Xianhua (劉先華)**, aged 40, is a vice president of the Group, and is mainly responsible for financing management. Mr. Liu joined the Group in January 2019 and served as the vice president of the Group. Before joining the Group, Mr. Liu had worked for Shenzhen Branch of People's Bank of China and Shenzhen Branch of China CITIC Bank. Mr. Liu received a master's degree in Business Administration and a bachelor's degree in Management from Zhejiang Gongshang University in June 2003.

**JIE Pingsheng (揭平勝)**, aged 58, is a senior vice president of the Group, and the chairman and president of Guangzhou City Renewal Group, and is mainly responsible for the management. He joined the Group in February 2008 and served as chairman of the board and general manager of Kaisa Real Estate Zhuhai branch, chairman of the board and president of Guangzhou Zhiye Group, chairman of the board of Zhiye Group and chairman of City Renewal Group. Before joining the Group, he sequentially worked for Shenzhen Mingju Real Estate Co., Ltd. as deputy general manager, Xinhe Group as vice president and Shenzhen Anneng Real Estate Company as deputy general manager. He graduated from Shenzhen University in 1987.

**SONG Wei (宋偉)**, aged 35, is a senior vice president of the Group. Mr. Song is primarily responsible for urban renewal work. Prior to joining the Group in November 2015, Mr. Song has successively engaged in news and planning in Hubei Daily Media Group and Evergrande Real Estate Group. Mr. Song has received a bachelor's degree in Journalism & Communication from Hubei University in 2007.

**XIE Binhong (謝斌鴻)**, aged 37, is a vice president of the Group and chief human resources officer. He is responsible for the human resources management. Mr. Xie joined the Group in 2011 and served as the assistant president of Kaisa Commercial Group and the vice president of Kaisa Real Estate Group (Shenzhen Region), etc. Before joining the Group, Mr. Xie worked for Financial Street Huizhou Real Estate Co., Ltd. and other companies. Mr. Xie graduated from Peking University, with a master's degree in Business Administration in June 2018.

**YANG Ming (楊明)**, aged 38, is a vice president of the Group, and is responsible for legal and risk management work. Ms. Yang joined the Group in April 2016 and served as deputy general manager of the legal compliance department of the Real Estate Group and general manager of the legal compliance department of the Group. Prior to joining the Group, Ms. Yang had successively worked in CIMC, Glorious Property Holdings Limited and Shum Yip Land Company Limited responsible for legal and risk management. Ms. Yang graduated from Wuhan University in July 2004 with a bachelor's degree in law.



**CHEN Yankun (陳燕坤)**, aged 46, is a vice president of the Group and the chairman of Guangzhou Group, and is responsible for the management. Mr. Chen joined the Group in September 2017 and served as the vice chairman of Guangzhou Finance Group, the vice chairman of the Greater Bay Area Group, etc. Before joining the Group, Mr. Chen had worked for the politics and law system for a long time.

**Lee Kin Ping (李健萍)**, aged 39, is a vice president of the Group and the vice president of Kaisa Financial Group, and is responsible for the management of financial law department and administration department of Kaisa Financial Group. Ms. Lee joined the Group in 2005 and served as the general manager of administration and human resources department of Hong Kong office, the general manager of public relations and investor relations department, the assistant president of Kaisa Group (International), the vice president of Kaisa Financial Group in Hong Kong, etc. Ms. Lee received her associate bachelor's degree of Computer Science in 2004 and currently being awarded the master's degree of Corporate Compliance in The University of Hong Kong.

**CHEN Siying (陳思穎)**, aged 36, is a vice president of the Group and the president of Beijing Group, and is responsible for the management. Mr. Chen joined the Group in July 2007 and served as the chairman of Beijing Real Estate Company, the chairman of Beijing Kaisa Hotel Management Company, the executive vice president of Real Estate Group (Beijing Region), etc. Mr. Chen graduated from Tongji University with bachelor's degree in Engineering in 2007.

**LI Aiguo (李愛國)**, aged 55, is a vice president of the Group, and is responsible for the management of Securities Funds. Mr. Li joined the Group in December 2016 and served as vice president of Financial Group and vice president of Investment and Financing Center. Before joining the Group, Mr. Li worked for the Ministry of public security of the PRC and HNA Group. Mr. Li graduated from the PLA Logistics Command College in July 2006, majored in Financial Management.

**LIU Lihao (劉立好)**, aged 37, is a vice president of the Group and president of Shenzhen Group, and is responsible for the management. Mr. Liu joined the Group in August 2012 and served as the assistant president of Real Estate Group (Beijing Region) and the vice president of Real Estate Group (Shanghai Region), etc. Before joining the Group, Mr. Liu worked on commercial real estate analysis and operating management successively in DTZ holdings and Guangming Technology Park Co., Ltd. of China Merchants Group. Mr. Liu graduated from Jiangxi University of Finance and Economics with bachelor's degrees of Economics and Laws.

**SUN Mingyao (孫明堯)**, aged 38, is a vice president of the Group. Mr. Sun joined the Group in September 2016, and successively served as the assistant president of Financial Group, the vice president of Greater Bay Area

Group, the vice president of Real Estate group, etc. Before joining our company, Mr. Sun successively engaged in planning and investment management in Ping An Life Insurance, Shenzhen Zetai investment company and China Cinda. Mr. Sun graduated from Renmin University of China with a master's degree in Economics in July 2006.

**CHEN Ling (陳玲)**, aged 45, is the vice president and the Chief Technology Officer of our Group. She also serves as the president of the Innovation Institute, taking charge of management. Ms. Chen joined the Group in April 2008, and successively served as the deputy general manager of design management department, the director of the Innovation Institute, the president assistant and the vice president of Shenzhen Region Real Estate Group, etc. Before Ms. Chen joined the Group, she had engaged in architectural design work for Huasen Architectural & Engineering Designing Consultants Ltd. (HAS). Ms. Chen earned her bachelor's degree in Engineering from Wuhan University of Technology in July 2002.

**CHENG Xinlan (程芯蘭)**, aged 42, is a vice president of the Group. She is also the vice president of Kaisa (International) Group, in charge of marketing management. Ms. Cheng joined the Group in September 2010, and successively served as the general manager, the president assistant of the Real Estate Group and the president assistant of the Group. She had worked for Gemdale Group before she joined our Group. In June 2002, Ms. Cheng graduated from Renmin University of China with a bachelor's degree in Literature.

**WANG Huiliang (王慧良)**, aged 39, is a vice president of the Group, and she is mainly responsible for financing management. Ms. Wang joined the Group in February 2018, and successively served as the general manager, the president assistant of the Financing Management Department of the Real Estate Group and the president assistant of the Group Holding. Ms. Wang had worked for Tusincere Group before joining the Group. In July 2004, she graduated from Hangzhou Dianzi University with a bachelor's degree in Accounting.

**LIU Tao (劉濤)**, aged 38, is a vice president of the Group. He also serves as the president of Technology Group, mainly responsible for the development of Group internet. Mr. Liu joined the Group in October 2009, and successively served as the general manager assistant, the vice general manager and the general manager of the Internet & Information Department and the assistant president of the Group Holding. He had worked for Mysoft Software before joining Kaisa. In July 2005, Mr. Liu graduated from Shandong University of Science and Technology with a bachelor's degree in Computer Science.

**LUO Tingting (羅婷婷)**, aged 35, is a vice president of the Group, and mainly responsible for financial management. Ms. Luo joined the Group in April 2011, and successively served as the president assistant and the vice

president of the Shenzhen Wealth Management Group, the general manager and the president assistant of the Planning and Finance Department of the Group Holding. She had worked in RSM China before joining our Group. In July 2006, Ms. Luo graduated from Jiangxi University of Finance and Economics with a bachelor's degree in Public Finance.

**LIU Jun (劉軍)**, aged 41, is a vice president of the Group, mainly responsible for legal affairs management of the Group. Mr. Liu joined the Group in December 2018, and successively served as the general manager of law enforcement department in Real Estate Group, and the president assistant of Group Holdings. Before he joined our company, Mr. Liu had worked in Guangdong Rui Feng Law Firm and Top Spring Group, in charge of legal affairs management. Mr. Liu graduated from Wuhan University with a bachelor's degree in Laws in June 2001.

**LIU Ce (劉策)**, aged 36, is a chief economist of the Group. Mr. Liu joined the Group in January 2018 and served as the dean of Kaisa Economic Research Institute and the chief growth officer of the Group, etc. Before joining the Group, Mr. Liu worked on researching and consulting for Shanghai Tacter Management Consulting Company and Mingyuan Real-estate, respectively. Mr. Liu graduated from Northwest University with a master's degree of Management in July 2009.

#### *Company Secretary*

**Yu Kwok Leung (余國良)**, aged 45, has been appointed as the Company Secretary with effect from 3 May 2018. Mr. Yu joined the Group as the financial controller in April 2016 and is responsible for financial reporting, company secretarial duties and corporate finance activities of the Group. He has many years of experience in accounting and finance. Prior to joining the Group, Mr. Yu was the financial controller of a listed company in Hong Kong and as a senior audit manager in one of the international accounting firm. Mr. Yu received his bachelor degree of business administration in accountancy from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants. Upon Mr. Yu's appointment as the Company Secretary, he will also remain as the financial controller of the Group.

## 12. MISCELLANEOUS

- (a) The business address of all Directors and senior management of the Company is 30/F, The Center, 99 Queen's Road Central, Central, Hong Kong; and
- (b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

**13. EXPENSES**

The expenses in relation to the Rights Issue (including, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$2 million and will be payable by the Company.

**14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed “Expert” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

**15. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents for inspection during business hours on any weekday (except Saturdays, Sunday and public holidays) at the principal place of business in Hong Kong of the Company at 30/F, The Center, 99 Queen’s Road Central, Central, Hong Kong for a period of 14 days from the date of this prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2018 and 2019, respectively and the annual results announcement of the Company for the year ended 31 December 2020;
- (c) the report on the unaudited pro forma financial information of the Group issued by Grant Thornton set out in Appendix II to this prospectus;
- (d) the material contracts disclosed in the section headed “Material Contracts” in this appendix;
- (e) the written consent from the expert as referred to in the section headed “Expert” in this appendix; and
- (f) the Prospectus Documents.

**16. LEGAL BINDING EFFECT**

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.