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KAISA GROUP HOLDINGS LTD.

佳兆業集團控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1638)

**OFFER TO EXCHANGE AND CONSENT SOLICITATION
RELATING TO THE OUTSTANDING 6.5% SENIOR NOTES DUE 2021
(the “Existing Notes”)**

Introduction

On December 8, 2020 and December 23, 2020, the Company issued the Existing Notes in an aggregate principal amount of US\$400,000,000 at 6.5% per annum, payable in arrears on June 8, 2021 and December 7, 2021. The Existing Notes are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The ISIN and Common Code are XS2268673337 and 226867333, respectively, for the Existing Notes. As of the date of this announcement, the outstanding principal amount are US\$400,000,000 under the Existing Notes.

On the date of this announcement, the Company commenced the offer to exchange for at least US\$380,000,000, or 95%, of the outstanding principal amount of the Existing Notes (the “**Minimum Acceptance Amount**”) upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum. In conjunction with the Exchange Offer, the Company is also soliciting from the Holders consents to the Proposed Waivers and Amendments.

The Exchange Offer, once consummated, and the Proposed Waivers and Amendments, once adopted and effected, will improve the overall financial condition of the Group and extend the maturity profile of the Existing Notes.

Once the Proposed Waivers and Amendments become effective and operative, non-tendering Holders of the Existing Notes will not be entitled to the benefit of substantially all of the restrictive covenants and certain events of default or other provisions under the Existing Notes Indenture in relation to their Existing Notes, and all Holders of the Existing Notes will be bound by the provisions of the Supplemental Indenture. For further details, please refer to “The Exchange Offer and Consent Solicitation” below.

Background and Purpose of the Exchange Offer and Consent Solicitation

During the second half of 2021, Chinese property developers and the capital markets that have funded growth and development of the sector have experienced an inflection point. Persistent tightening governmental policy, multiple credit events and deteriorating consumer sentiment have resulted in temporary shut-down of various refinancing venues for the sector and put enormous pressure on our short-term liquidity. Despite our efforts to reduce our interest-bearing debt in response to government regulations, the current sharp downturn in the financing environment has limited our funding sources to address the upcoming maturities.

On November 10, 2021, Moody’s Investors Service, Inc. downgraded us from Caa1 to Ca. On November 11, 2021, Standard & Poor’s Ratings Services downgraded us from CCC+ to CCC-. On November 16, 2021, Fitch Ratings downgraded us from CCC- to C. Such ratings were subsequently withdrawn at our request. The rating downgrades and subsequent withdrawal have exacerbated our difficulty in accessing financing and, together with our current short-term liquidity issue, led to the occurrence of certain triggering events under certain of our loan agreements. We have been actively communicating with such lenders in order to resolve any issues amicably within a reasonable timeframe. In addition, the coupon on our November 2025 Notes in the amount of US\$58.5 million was due November 11, 2021 and the coupon on our November 2023 Notes in the amount of US\$29.9 million was due on November 12, 2021. Under the indentures governing such two series of notes, non-payment of coupon that continues for 30 days would result in an event of default. As of the date of this exchange offer and consent solicitation memorandum, the coupons on our November 2023 Notes and November 2025 Notes remain unpaid. Further, certain wealth management products that our onshore subsidiary guaranteed became due and payable in October and November 2021, with respect to which we have implemented alternative repayment measures. We estimate that our existing internal resources may be insufficient to repay the Existing Notes at maturity.

In light of the above, we are conducting the Exchange Offer and Consent Solicitation as part of our overall strategy to improve our overall financial condition, extend our debt maturity profile, strengthen our balance sheet and improve cash flow management. We are offering Eligible Holders of our Existing Notes the opportunity to exchange their Existing Notes for New Notes with an extended maturity and terms designed to allow us to improve our overall financial condition and give us necessary financial stability to continue as a going concern.

If the Exchange Offer and Consent Solicitation are not successfully consummated, we may not be able to repay the Existing Notes upon maturity on December 7, 2021, and we may consider alternative debt restructuring exercise.

The Exchange Offer and Consent Solicitation

The Exchange Offer and Consent Solicitation for the Existing Notes commenced on November 25, 2021 and will expire at 4:00 p.m., London time, on December 2, 2021 (the “**Expiration Deadline**”), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of the Company’s outstanding Existing Notes held by Eligible Holders and soliciting consents from Eligible Holders to certain proposed waivers and amendments to the Existing Notes Indenture, and to the execution by the Company, the Existing Notes Subsidiary Guarantors and the Existing Notes Trustee of an amendment to the Existing Notes Indenture giving effect to the Proposed Amendments (the “**Supplemental Indenture**”), for the Exchange and Consent Consideration. As of the date of the Exchange Offer and Consent Solicitation Memorandum, US\$400,000,000 in aggregate principal amount of the Company’s Existing Notes is outstanding.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer and Consent Solicitation will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the Exchange and Consent Consideration) and will release and discharge the Company from any and all claims such holders may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon. Any tendering Eligible Holder must tender its entire holding of Existing Notes for exchange.

By validly tendering the Existing Notes in the Exchange Offer, Eligible Holders will be deemed to have given Consent in the Consent Solicitation. Eligible Holders may not give Consent only without tendering Existing Notes. All Consents delivered and accepted will be deemed to be Consents to the Proposed Waivers and Amendments as a whole.

Each Eligible Holder will be deemed to have provided its Consent under the Consent Solicitation upon its tender of the Existing Notes. The Proposed Waivers and Amendments will be binding on all holders of Existing Notes upon our receipt of not less than a majority in aggregate principal amount of the Existing Notes outstanding (the “**Requisite Consents**”). The Proposed Waivers will become effective upon receipt of Requisite Consents, and the Proposed Amendments will become effective upon execution of the Supplemental Indenture. The Proposed Waivers and Amendments will not become operative until the payment of Cash Consideration has been made and the Exchange Offer and Consent Solicitation have been consummated. If the Proposed Waivers and Amendments are accepted and effected, Existing Notes that are not tendered and accepted pursuant to the Exchange Offer will be subject to the Proposed Waivers and Amendments. A separate instruction needs to be submitted per each beneficial owner of the Existing Notes held through Euroclear and Clearstream. Instructions in connection with the Exchange Offer and Consent Solicitation are irrevocable.

The Proposed Waivers and Amendments would waive any potential breaches that may arise as a result of the events described in “Background and Purpose of the Exchange Offer and Consent Solicitation” and remove substantially all of the restrictive covenants including but not limited to those described in the announcement made on the Stock Exchange by the Company on December 2, 2020 in connection with the issuance of the Existing Notes.

Exchange and Consent Consideration

The total Exchange and Consent Consideration for each US\$1,000 principal amount of the existing notes validly tendered prior to the Expiration Deadline and accepted for exchange (the “**Exchange and Consent Consideration**”) shall be a purchase price equal to:

- (i) the amount of US\$25.00 per US\$1,000 in principal amount of the Existing Notes for which a valid tender under the Exchange Offer has been delivered (“**Cash Consideration**”);
- (ii) US\$1,000 in aggregate principal amount of the US\$ denominated Senior Notes due 2023 (the “**New Notes**”); and
- (iii) Capitalized Interest.

The New Notes will mature on June 6, 2023. The New Notes will bear interest at 6.5% per annum payable entirely in cash or, if we elect to pay such interest entirely in paid-in-kind interest on any interest payment date other than the maturity date, at 7.5% per annum, payable semiannually in arrears.

Application will be made to the SGX-ST for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of the New Notes on, the SGX-ST are not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors or any of their respective subsidiaries or associated companies, the New Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees.

Minimum Acceptance Amount

The minimum aggregate principal amount of the Existing Notes, being US\$380,000,000, or 95%, of the outstanding principal amount of the Existing Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer and Consent Solicitation. In the event that the final acceptance rate is below 95%, the Exchange Offer and Consent Solicitation shall lapse automatically.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer and Consent Solicitation.

Date	Event
November 25, 2021	Commencement of the Exchange Offer and Consent Solicitation and announcement via the websites of the SGX-ST, the Stock Exchange and the Exchange and Consent Website and through Euroclear or Clearstream, as applicable. Exchange offer and consent solicitation memorandum will be made available to Eligible Holders of the Existing Notes on the Exchange and Consent Website.
December 2, 2021 (4:00 p.m., London time)	Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender Existing Notes (and as such, are deemed to have provided a Consent under the Consent Solicitation) are eligible to receive the relevant Exchange and Consent Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer and Consent Solicitation.
As soon as practicable after the Expiration Deadline	Announcement of the amount of tenders for exchange received (and as such, the amount of Consents received) prior to the Expiration Deadline, whether Requisite Consent has been received, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.
On or about December 6, 2021	Subject to satisfaction of the conditions as set forth in the Exchange Offer and Consent Solicitation Memorandum, settlement of the New Notes, delivery of the Exchange and Consent Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange, and execution of the Supplemental Indenture.
On or about December 6, 2021	Listing of the New Notes on the SGX-ST.

Conditions to the Exchange Offer and Consent Solicitation

The acceptance for exchange and the Company's obligation to consummate the Exchange Offer and Consent Solicitation, are conditional upon, among other things:

- (a) there being no material adverse change in the market from the date of the Exchange Offer and Consent Solicitation Memorandum to the Settlement Date;
- (b) an affirmative determination by us that accepting the exchanges, paying the Exchange and Consent Consideration and effecting the transactions contemplated hereby are in the Company's best interests; and
- (c) satisfaction of certain other conditions as set forth in the Exchange Offer and Consent Solicitation Memorandum;

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer and Consent Solicitation if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer and Consent Solicitation from time to time until the conditions are satisfied or waived. Although the Company have no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, other than the Minimum Acceptance Amount, the terms and conditions of the Exchange Offer and Consent Solicitation, subject to applicable law. The Company will give you notice of any amendments, modifications or waivers as and if required by applicable law.

Purpose of the Exchange Offer and Consent Solicitation

The purpose of the Exchange Offer and Consent Solicitation is to improve our liquidity position and extend maturity of the Existing Notes. Please refer to the section headed "Background and Purpose of the Exchange Offer and Consent Solicitation" of this announcement.

Further Details

The Company has appointed Haitong International Securities Company Limited as the Dealer Manager, and Morrow Sodali as Information, Exchange and Tabulation Agent with respect to the Exchange Offer and Consent Solicitation (each as stipulated in the Exchange Offer and Consent Solicitation Memorandum and its related documents). The Exchange Offer and Consent Solicitation Memorandum, this announcement and all documents related to the Exchange Offer and Consent Solicitation can be found on the Exchange and Consent Website: <https://bonds.morrowsodali.com/kaisa>. Requests for copies of the Exchange Offer and Consent Solicitation Memorandum and its related documents may be directed to the Information, Exchange and Tabulation Agent at the address and telephone number as set forth below. The contact information of Haitong International Securities Company Limited and Morrow Sodali is set out as follows:

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Morrow Sodali

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THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER AND THE CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND THE CONSENT SOLICITATION AS SET FORTH IN THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER AND CONSENT SOLICITATION WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER AND CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND CONSENT SOLICITATION. AS THE EXCHANGE OFFER AND CONSENT SOLICITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Exchange Offer and Consent Solicitation are not being made to (nor will the tender of the Existing Notes and delivery of Consents be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Exchange Offer and Consent Solicitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer and Consent Solicitation or the delivery of Consents would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer and Consent Solicitation will not be made to (nor will tenders or Consents be accepted from or on behalf of) any Holder residing in such jurisdiction.

FORWARD LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer and Consent Solicitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors of the Company;
“Capitalized Interest”	Accrued and unpaid interest on any Existing Notes validly tendered and accepted for exchange will be payable in the form of New Notes as Capitalized Interest (to be rounded downward to the nearest US\$1) rather than cash. Each US\$1.00 of accrued interest on the Existing Notes will be exchanged for US\$1.00 in principal amount of the New Notes;
“Clearstream”	Clearstream Banking S.A.;
“Company”	Kaisa Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 1638);
“Consent Solicitation”	solicitation from the Company seeking Consents to all of the Proposed Waivers and Amendments to the Existing Notes Indenture as a single proposal;
“Consents”	the consent of a Holder to the applicable Proposed Waivers and Amendments;
“Director(s)”	the director(s) of the Company;
“Eligible Holders”	holders who are non-U.S. persons (as those terms are defined under Regulation S) located outside the United States and hold the Existing Notes through Euroclear or Clearstream, or certain fiduciaries holding accounts for the benefit of non-U.S. persons (as those terms are defined under Regulation S) outside the United States and holding the Existing Notes through Euroclear or Clearstream;
“Euroclear”	Euroclear Bank SA/NV;
“Exchange Offer”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum;

“Exchange Offer and Consent Solicitation Memorandum”	the exchange offer and consent solicitation memorandum dated November 25, 2021 in relation to the Exchange Offer and Consent Solicitation;
“Existing Notes”	the 6.5% senior notes issued by the Company due 2021;
“Existing Notes Indenture”	the indenture dated as of December 23, 2020 in relation to the Existing Notes;
“Existing Notes Subsidiary Guarantors”	certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Existing Notes;
“Group”	the Company and its subsidiaries;
“Holder”	the holder of the Existing Notes;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Original Issue Date”	the date on which the New Notes are originally issued under the indenture in relation to the New Notes;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Amendments”	certain proposed amendments as mentioned and defined in the Exchange Offer and Consent Solicitation Memorandum;
“Regulation S”	Regulation S under the U.S. Securities Act;
“Settlement Date”	on or about December 6, 2021, unless the Exchange Offer and Consent Solicitation is extended or earlier terminated;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.” or “United States”	the United States of America;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended;

“US\$” United States dollars, the lawful currency of the United States; and

“%” per cent.

By order of the Board
Kaisa Group Holdings Ltd.
Chairman
Kwok Ying Shing

Hong Kong, 25 November 2021

As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Sun Yuenan, Mr. Mai Fan, Mr. Li Haiming and Mr. Kwok Hiu Kwan; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao, Mr. Rao Yong, and Mr. Liu Xuesheng.