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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)

MAJOR AND CONNECTED TRANSACTION ACQUISITION OF LAND IN SHENZHEN AND FORMATION OF A JOINT VENTURE COMPANY

ACQUISITION OF LAND IN SHENZHEN AND FORMATION OF A JOINT VENTURE COMPANY

The Board is pleased to announce that, on 9 April 2014, Kaisa Shenzhen and Sino Life have jointly and successfully bid for the Land in Shenzhen and received the Bid Confirmation from the Land Resources Centre.

Pursuant to the Cooperation Agreement, Kaisa Shenzhen and Sino Life have agreed to establish the Joint Venture Company which will be owned as to 51% by Kaisa Shenzhen and 49% by Sino Life for the purpose of holding and developing the Land. Upon establishment, the Joint Venture Company will become a non-wholly owned subsidiary of the Company and the accounts of which will be consolidated with the accounts of the Company.

MAJOR AND CONNECTED TRANSACTION

Sino Life is a connected person of the Company by virtue of it being a substantial shareholder of the Company. The Transaction would therefore constitute a connected transaction of the Company under the Listing Rules. Since one of the applicable percentage ratios as defined in Chapter 14 of the Listing Rules in respect of the Transaction is more than 25% but is less than 100%, the Transaction constitutes a major and connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

* For identification purpose only

DESPATCH OF CIRCULAR

The EGM will be held for the purpose of considering and, if thought fit, approving the Transaction. As Sino Life is a party to the Transaction, it is required to abstain from voting on the resolution approving the Transaction at the EGM. A circular containing, inter alia, (a) further information on the Transaction; (b) a letter of advice containing the recommendations from the Independent Board Committee to the Independent Shareholders in relation to the Transaction; (c) a letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transaction; and (d) a notice convening the EGM, will be despatched to the Shareholders on or before 8 May 2014.

BACKGROUND

The Board is pleased to announce that, on 9 April 2014, Kaisa Shenzhen and Sino Life have jointly and successfully bid for the Land in Shenzhen and received the Bid Confirmation from the Land Resources Centre.

Pursuant to the Cooperation Agreement, Kaisa Shenzhen and Sino Life have agreed to establish the Joint Venture Company which will be owned as to 51% by Kaisa Shenzhen and 49% by Sino Life for the purpose of holding and developing the Land. Upon establishment, the Joint Venture Company will become a non-wholly owned subsidiary of the Company and the accounts of which will be consolidated with the accounts of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Land Resources Centre is a third party independent of the Company and its connected persons.

PRINCIPAL TERMS OF THE BID CONFIRMATION

Information about the Land

The Land is situated at G16301-0701, Xiasha Village, Dapeng Road, Dapeng New District, Shenzhen, the PRC and is classified as commercial land. It covers a total land site area of 429,559.64 square metres with gross floor area of 516,030 square metres per maximum allowed plot ratio. The term of the land use rights is 40 years.

Consideration and its payment

The consideration for the acquisition of the Land is RMB5,400,000,000 (equivalent to approximately HK\$6,809,412,000), which was determined after a public land auction bidding process. The Board considers that the consideration is fair and reasonable having taking into account the current market conditions, the location, development costs and development potential of the Land.

Pursuant to the Bid Confirmation, the consideration for the acquisition of the Land is to be paid as stipulated in the relevant land use right grant contract. The consideration will be funded by Kaisa Shenzhen and Sino Life to the Joint Venture Company in proportion to their respective effective interests in the Joint Venture Company by way of equity or other forms of financing to be agreed. The portion of the payment to be borne by Kaisa Shenzhen will be financed by the Group's internal resources.

PRINCIPAL TERMS OF THE COOPERATION AGREEMENT

Establishment of the Joint Venture Company

Pursuant to the Cooperation Agreement, Kaisa Shenzhen and Sino Life have agreed to establish the Joint Venture Company which will be owned as to 51% by Kaisa Shenzhen and 49% by Sino Life for the purpose of holding and developing the Land. As at the date of this announcement, the Joint Venture Company has yet been established. Upon its establishment, the Joint Venture Company shall be held as to 51% by Kaisa Shenzhen and 49% by Sino Life, respectively, and will become a non wholly-owned subsidiary of the Company, and the accounts of which will be consolidated with the accounts of the Company.

Other provisions

Any profits, losses and risks of the Joint Venture Company shall be shared by Kaisa Shenzhen and Sino Life according to their respective shareholding in the Joint Venture Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company is one of the leading property developers in the PRC and is principally engaged in the development of large-scale residential properties and integrated commercial properties in the PRC.

The Land is situated in Shenzhen within the area of Pearl River Delta, the PRC. The Transaction is in-line with the Company's growth strategy by seeking development opportunities in real estate markets in the PRC. The Company and Sino Life consider that the strategic cooperation will complement each other in the co-development of the Land to promote mutual benefit.

After the Transaction, the Company will indirectly own 51% of the Joint Venture Company. This will allow the Company to further consolidate its leading position in the Shenzhen commercial property market and the co-investment will broaden the asset and earnings base of the Company and further strengthen the Company's position to gain access to quality land in Shenzhen, which the Directors consider to have continued growth potential in the future. The Directors are optimistic about the prospect of the future commercial property market in Shenzhen, the PRC.

The Directors (excluding the independent non-executive Directors who will express their views after receiving advice from an independent financial adviser) consider that the Transaction is beneficial to the development of the Group by further consolidating the Group's market position in Shenzhen and Pearl River Delta, the PRC and is being carried

out in the ordinary and normal course of business of the Company, under normal commercial terms, and is fair and reasonable and in the interests of the Company and its shareholders as a whole. Except for the non-executive director of the Company, Ms. Chen Shaohuan, none of the Directors is required to abstain from voting on the resolution on the Transaction.

DESPATCH OF CIRCULAR

The EGM will be held for the purpose of considering and, if thought fit, approving the Transaction. As Sino Life is a party to the Transaction, it is required to abstain from voting on the resolution approving the Transaction at the EGM.

A circular containing, inter alia, (a) further information on the Transaction; (b) a letter of advice containing the recommendations from the Independent Board Committee to the Independent Shareholders in relation to the Transaction; (c) a letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transaction; and (d) a notice convening the EGM, will be despatched to the Shareholders on or before 8 May 2014.

An Independent Board Committee will be established to advise the Independent Shareholders as to whether the terms of Transaction are fair and reasonable and in the interests of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote, taking into account the recommendations of an independent financial adviser. None of the members of the Independent Board Committee has a material interest in the transactions contemplated under the Transaction. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction.

INFORMATION OF THE PARTIES

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

Sino Life is a nationwide professional life insurance company in China which currently headquartered in Shenzhen, the PRC.

IMPLICATION OF THE LISTING RULES

Sino Life is a connected person of the Company by virtue of it being a substantial shareholder of the Company. The Transaction would therefore constitute a connected transaction of the Company under the Listing Rules. Since one of the applicable percentage ratios as defined in Chapter 14 of the Listing Rules in respect of the Transaction is more than 25% but is less than 100%, the Transaction constitutes a major and connected transaction of the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Bid Confirmation”	the bid confirmation notice (成交確認書) issued to Kaisa Shenzhen and Sino Life by the Land Resources Centre confirming Kaisa Shenzhen and Sino Life’s successful bidding of the Land on 9 April 2014
“Board”	the board of Directors of the Company
“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 Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement entered into between Kaisa Shenzhen and Sino Life on 21 March 2014 in relation to the Transaction
“Directors”	the Directors of the Company
“EGM”	An extraordinary general meeting of the Company to be convened for the purpose of approving the Transaction
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company which will comprising all independent non-executive directors, namely, Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu
“Independent Shareholder(s)”	all Shareholder(s) other than Sino Life and its associates
“Joint Venture Company”	the joint venture company to be established by Kaisa Shenzhen and Sino Life pursuant to the Cooperation Agreement
“Kaisa Shenzhen”	佳兆業集團(深圳)有限公司 (Kaisa Group (Shenzhen) Co., Ltd.*), a company established under the laws of PRC and an indirectly wholly-owned subsidiary of the Company
“Land”	a parcel of land situated at G16301-0701, Xiasha Village, Dapeng Road, Dapeng New District, Shenzhen, the PRC

“Land Resources Centre”	深圳市規劃和國土資源委員會 (Shenzhen City Planning and Land Resources Commission*)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Sino Life”	生命人壽保險股份有限公司 (Sino Life Insurance Co., Ltd*), a limited liability company established under the laws of the PRC, a substantial shareholder holding approximately 15.20% interest in the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the acquisition of the Land, the formation of the Joint Venture Company for the development of the Land and the related joint venture arrangement

For illustration purpose, amount in RMB in this announcement have been translated to HK\$ at HK\$1.00 = RMB0.79302.

By order of the Board
Kaisa Group Holdings Ltd.
Mr. Kwok Ying Shing
Chairman & Executive Director

Hong Kong, 10 April 2014

As at the date of this announcement, the executive directors of the Company are Mr. Kwok Ying Shing, Mr. Kwok Ying Chi, Mr. Sun Yuenan, Dr. Tam Lai Ling and Mr. Jin Zhigang; the non-executive director of the Company is Ms. Chen Shaohuan; the independent non-executive directors of the Company are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu.