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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)

HOLDING ANNOUNCEMENT

This announcement is made by Kaisa Group Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) and Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 10 December 2014 in relation to, among others, the resignation of Mr. Kwok Ying Shing as the chairman of the board of directors of the Company (the “**Board**”) with effect from 31 December 2014 (the “**Resignation**”) and the announcement of the Company dated 29 December 2014 in relation to the halt in trading of the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 29 December 2014 pending the release by the Company of an announcement containing inside information in relation to the Company.

The Board would like to provide an update on the recent development of the Group. The Company has received a notice from The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) being the lender of a facility agreement entered into between, among others, the Company as the borrower and HSBC on 2 August 2013 in respect of a term loan facility of HK\$400,000,000 (the “**HSBC Facility Agreement**”) that the Resignation has triggered the mandatory prepayment provision under the HSBC Facility Agreement and the Company shall immediately repay all the loans together with the accrued interest thereon under the HSBC Facility Agreement (the “**Outstanding HSBC Facility**”) on 31 December 2014, being the effective date of the Resignation. As at the date of this announcement, the Company has failed to repay the Outstanding HSBC Facility to HSBC.

* For identification purposes only

The Company is currently assessing the impact of the above default on other loan facilities of and debt and equity securities issued by the Group which may trigger cross-default under such loan facilities and/or debt and/or equity securities, which may in turn have material adverse impact on the financial position of the Group. The Company will publish an announcement to provide an update of the above as soon as practicable. In the meantime, trading in the shares of the Company will remain suspended pending the publication of any further announcement.

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

1 January 2015

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