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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)**

## **ISSUANCE OF US\$300 MILLION 10.5% SENIOR NOTES DUE 2022**

Reference is made to the announcement of the Company dated 31 August 2021 in respect of the proposed Notes Issue.

On 31 August 2021, the Company, together with the Subsidiary Guarantors, entered into the Purchase Agreement with Credit Suisse, Guotai Junan International, HSBC, Haitong International, UBS, BOC International, China CITIC Bank International, Kingston Securities Limited, Fulbright Securities Limited and Hung Sing Securities Limited in connection with the Notes Issue.

## THE PURCHASE AGREEMENT

Date: 31 August 2021

### Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) Credit Suisse, Guotai Junan International, HSBC, Haitong International, UBS, BOC International, China CITIC Bank International, Kingston Securities Limited, Fulbright Securities Limited and Hung Sing Securities Limited as the initial purchasers.

Credit Suisse, Guotai Junan International, HSBC, Haitong International and UBS are the joint global coordinators, joint bookrunners and joint lead managers; BOC International and China CITIC Bank International are the joint bookrunners and joint lead managers; and Kingston Securities Limited, Fulbright Securities Limited and Hung Sing Securities Limited are the joint lead managers in respect of the offer and sale of the Notes. They are also the initial purchasers of the Notes.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Credit Suisse, Guotai Junan International, HSBC, Haitong International, UBS, BOC International, China CITIC Bank International, Kingston Securities Limited and Hung Sing Securities Limited is an independent third party and not a connected person of the Company and its connected persons.

As at the date of this announcement, Fulbright Securities Limited is a company majority controlled by the family members of Mr. Kwok Ying Shing. As all the applicable percentage ratios under the Listing Rules in respect of the subscription amount (including any commission) by Fulbright Securities Limited under the Purchase Agreement is less than 0.1%, the transactions contemplated under the Purchase Agreement fall within the de minimis threshold under Rule 14A.76(1) of the Listing Rules and are fully exempt from the reporting, announcement, annual review requirements and independent shareholders' approval under Chapter 14A of the Listing Rules.

**No PRIIPs KID** – No PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the EEA or UK.

**No UK PRIIPs KID** – No UK PRIIPs key information document (KID) has been prepared as the Notes are not available to retail investors in the UK.

The Notes have not been, and will not be, registered under the Securities Act. The Notes will only be offered outside the United States in offshore transactions in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes will be offered to the public in Hong Kong.

## **Principal terms of the Notes**

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the guarantees provided by the Subsidiary Guarantors, and the JV Subsidiary Guarantors, if any.

### *Notes offered*

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300 million. The Notes will mature on 7 September 2022, unless earlier redeemed in accordance with the terms thereof.

### *Issue price*

The issue price of the Notes will be 99.54% of the principal amount of the Notes.

### *Interest*

The Notes will bear interest from and including 8 September 2021 at a rate of 10.5% per annum, payable in arrears on 8 March 2022 and 7 September 2022.

### *Ranking of the Notes*

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors (if any).

### *Events of default*

The events of default under the Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indenture, or the failure by the Company to create, or cause certain of its subsidiaries to create, a lien in the manner described in the Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breaches of any other covenant or agreement in the

Indenture or under the Notes (other than a default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by Citicorp International Limited as trustee or the holders of 25% or more in aggregate principal amount of the Notes; (e) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding principal amount of US\$20.0 million or more in the aggregate for all such indebtedness, whether such indebtedness now exists or shall hereafter be created, (i) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (ii) the failure to make a principal payment when due; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$20.0 million during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (g) involuntary bankruptcy or insolvency proceedings against the Company or certain of its subsidiaries; (h) voluntary bankruptcy or insolvency proceedings commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors; (i) any Subsidiary Guarantor or JV Subsidiary Guarantor (if any) denying or disaffirming its obligations under its guarantees with respect to the obligations of the Notes or, except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect; (j) any default by the Company or any Subsidiary Guarantor pledgor in the performance of any of its obligations; and (k) the Company or any Subsidiary Guarantor pledgor denying or disaffirming its obligations.

If an event of default (other than an event of default specified in (g) or (h) above) occurs and is continuing under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, may, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the request of such holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in clause (g) or (h) above occurs, the principal of, the premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

### *Covenants*

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue preferred stock;
- (b) make investments or other specified restricted payments;
- (c) guarantee indebtedness;
- (d) enter into certain transactions with affiliates;
- (e) create liens;

- (f) enter into sale and leaseback transactions;
- (g) sell assets;
- (h) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends;
- (i) issue and sell capital stock of certain of its subsidiaries;
- (j) effect a consolidation or merger; and
- (k) engage in different business activities.

### *Optional Redemption*

The Notes may be redeemed in the following circumstances:

- (1) At any time prior to 7 September 2022, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. Neither the trustee nor any of the agents shall be responsible for verifying or calculating the applicable premium.
- (2) At any time prior to 7 September 2022, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 110.5% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

### **Reasons for the Notes Issue**

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 and cinema, department store and cultural centre operations, and waterway passenger and cargo transportation in the PRC. The Company intends to use the net proceeds of the Notes Issue to refinance its existing indebtedness and for general corporate purposes.

### **Listing**

Application will be made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any other subsidiary or associated company of the Company, the Notes, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this announcement.

## DEFINITIONS

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

“Board”	the board of Directors
“BOC International”	BOCI Asia Limited
“China CITIC Bank International”	China CITIC Bank International Limited
“Company”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guotai Junan International”	Guotai Junan Securities (Hong Kong) Limited
“Haitong International”	Haitong International Securities Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and the trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“JV Subsidiary Guarantees”	guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors which will provide the JV Subsidiary Guarantees
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$ denominated senior notes due 2022 in the principal amount of US\$300 million to be issued by the Company

“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Purchase Agreement”	the agreement dated 31 August 2021 entered into by and among Credit Suisse, Guotai Junan International, HSBC, Haitong International, UBS, BOC International, China CITIC Bank International, Kingston Securities Limited, Fulbright Securities Limited, Hung Sing Securities Limited, the Company and the Subsidiary Guarantors in relation to the Notes Issue
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	guarantees for the Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain existing non-PRC subsidiaries of the Company that on the issue date of the Notes which will provide the Subsidiary Guarantees
“UBS”	UBS AG Hong Kong Branch
“United States”	the United States of America
“US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent

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

Hong Kong, 1 September 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. Rao Yong, Mr. Zhang Yizhao and Mr. Liu Xuesheng.*

\* For identification purposes only