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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)**

### **POSSIBLE TRANSACTIONS IN CONNECTION WITH THE RESTRUCTURING INVOLVING, AMONG OTHERS: (a) POSSIBLE ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND (b) POSSIBLE ISSUE OF SHARES TO AHG MEMBERS UNDER SPECIFIC MANDATE**

#### **1. BACKGROUND**

References are made to the announcements of the Company dated 20 August 2024, 13 September 2024 and 16 September 2024 in relation to the Restructuring.

The scope of the Restructuring covers the In-Scope Debt, with an aggregate outstanding principal amount of approximately US\$12.27 billion.

The Restructuring involves, in exchange for the full release and discharge of the relevant claims against the Obligors and other relevant persons under or in connection with the relevant In-Scope Debt, the distribution to the Scheme Creditors of the Restructuring Consideration consisting of:

- (i) six tranches of US\$ denominated senior notes (i.e. the New Notes), which shall be allocated to each Scheme Creditor on a pro rata basis under each scheme according to such Kaisa Scheme Creditor's Entitlement or Rui Jing Scheme Creditor's Entitlement, as the case may be; and
- (ii) eight tranches of US\$ denominated mandatory convertible bonds (i.e. the MCBs) that are convertible into new shares of the Company, which shall be allocated to each Scheme Creditor on a pro rata basis under each scheme according to such Kaisa Scheme Creditor's Entitlement or Rui Jing Scheme Creditor's Entitlement, as the case may be.

In connection with the Restructuring, the Company and the members of the AHG entered into the AHG Work Fee Letter pursuant to which a portion of the AHG Work Fee in the amount of US\$26,884,818 shall be paid by way of the allotment and issue of Shares by the Company in accordance with the AHG Work Fee Letter.

This announcement sets out further details on the MCB Issue and the AHG Work Fee Share Issue in accordance with the requirements of the Listing Rules.

## **2. ISSUE OF MCBS UNDER SPECIFIC MANDATE**

Subject to the occurrence of the Restructuring Effective Date, the Company will issue the MCBs, which shall be allocated to each Scheme Creditor on a pro rata basis under each scheme according to such Kaisa Scheme Creditor's Entitlement or Rui Jing Scheme Creditor's Entitlement, as the case may be.

The Company will seek at the EGM the Specific Mandate from the Shareholders for the allotment and issue of the MCB Conversion Shares. The MCB Issue and the transactions contemplated thereunder are subject to the passing of necessary resolutions by the Shareholders at the EGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the MCB Conversion Shares.

An application will be made for the listing and quotation of the MCBs on the SGX.

### **3. AHG WORK FEE SHARE ISSUE**

In connection with the Restructuring, the Company and the members of the AHG entered into the AHG Work Fee Letter dated 20 August 2024 pursuant to which the Company has agreed to pay (or procure that another member of the Group pay) certain fees to each member of the AHG in consideration for the work undertaken by each member of the AHG in furtherance of the Restructuring and a portion of the AHG Work Fee in the aggregate amount of US\$26,884,818 shall be paid by way of the allotment and issue of 2,100,000,000 Shares by the Company in accordance with the terms and conditions of the AHG Work Fee Letter.

The Company will seek at the EGM the Specific Mandate from the Shareholders for the allotment and issue of the AHG Work Fee Shares. The AHG Work Fee Share Issue and the transactions contemplated thereunder are subject to the passing of necessary resolutions by the Shareholders at the EGM. An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the AHG Work Fee Shares.

### **4. GENERAL**

An EGM will be convened and held for the purpose of considering and, if thought fit, approving the resolutions to be proposed at the EGM in relation to the MCB Issue, the AHG Work Fee Share Issue and the transactions as contemplated thereunder.

In order to ascertain the right to attend the EGM, the register of members of the Company will be closed from Monday, 16 December 2024 to Wednesday, 18 December 2024 (both days inclusive) during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 13 December 2024.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the MCB Issue, the AHG Work Fee Share Issue and the transactions as contemplated thereunder and is required to abstain from voting on the relevant resolutions in respect of the MCB Issue or the AHG Work Fee Share Issue at the EGM.

A circular containing, among others, (a) further details of the MCB Issue and the transactions contemplated thereunder, including the allotment and issue of the MCB Conversion Shares under the Specific Mandate; and (b) further details of the AHG Work Fee Share Issue and the transactions contemplated thereunder, including the allotment and issue of the AHG Work Fee Shares under the Specific Mandate, and (c) a notice of the EGM, together with a form of proxy, will be despatched by the Company to the Shareholders on or before 29 November 2024.

**Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## 1. BACKGROUND

References are made to the announcements of the Company dated 20 August 2024, 13 September 2024 and 16 September 2024 in relation to the Restructuring.

### **The Restructuring**

The scope of the Restructuring covers the In-Scope Debt, with an aggregate outstanding principal amount of approximately US\$12.27 billion.

The Restructuring involves, in exchange for the full release and discharge of the relevant claims against the Obligors and other relevant persons under or in connection with the relevant In-Scope Debt, the distribution to the Scheme Creditors of the Restructuring Consideration consisting of:

- (i) six tranches of US\$ denominated senior notes (i.e. the New Notes), which shall be allocated to each Scheme Creditor on a pro rata basis under each scheme according to such Kaisa Scheme Creditor's Entitlement or Rui Jing Scheme Creditor's Entitlement, as the case may be; and
- (ii) eight tranches of US\$ denominated mandatory convertible bonds (i.e. the MCBs) that are convertible into new shares of the Company, which shall be allocated to each Scheme Creditor on a pro rata basis under each scheme according to such Kaisa Scheme Creditor's Entitlement or Rui Jing Scheme Creditor's Entitlement, as the case may be.

The Restructuring is conditional upon the following conditions being satisfied, or waived (as applicable) in accordance with the terms of the Schemes:

- (a) the delivery by the relevant members of the Group of corporate authorisations in respect of the Restructuring and their entry into the restructuring documents to which they are a party;

- (b) the obtaining of all relevant governmental and/or regulatory approvals or other consents as are necessary for the Restructuring to take effect and the execution of the restructuring documents;
- (c) the obtaining of the relevant scheme sanction order(s) in respect of the Scheme(s) and the Scheme(s) becoming effective in accordance with its terms;
- (d) the Ad Hoc Group's advisers confirming on behalf of the Ad Hoc Group that all the restructuring documents are in agreed form;
- (e) the payment of the cash component of the AHG Work Fee (for the avoidance of doubt, the AHG Work Fee will be paid in the form of cash, debt and equity, and, in addition to the aforementioned cash component of the AHG Work Fee, subject to the occurrence of the Restructuring Effective Date, the AHG Work Fee Notes (i.e. the debt component) shall be issued on the Restructuring Effective Date and the AHG Work Fee Shares (i.e. the equity component of the AHG Work Fee) shall be paid in accordance with the AHG Work Fee Letter);
- (f) the appointment of the monitoring agent by the Company;
- (g) the establishment and designation of the designated onshore account and the offshore allocation account;
- (h) the issuance and publication of a public announcement on the website of the Stock Exchange by the Company specifying the designated date for the Restructuring Effective Date;
- (i) the settlement of all fees and expenses of the Ad Hoc Group's advisers and other local counsels/barristers appointed by the Ad Hoc Group that the Company is obligated to pay in accordance with the terms set out in the relevant fee letter(s) entered into by the Company and in each case, subject to any applicable cap as agreed between the Company and such adviser or local counsel/barrister;
- (j) the settlement of all costs and expenses incurred by the Ad Hoc Group in connection with the Hong Kong Proceeding (excluding any costs in relation to hearings for any adjournment applications following the date set out in the RSA until the withdrawal and/or dismissal of the Hong Kong Proceeding), in accordance with and subject to the agreement between the Company and the Ad Hoc Group;
- (k) the settlement of (i) all outstanding fees and expenses payable by the Company to the trustee in respect of the Existing Securities in accordance with the terms of the indentures of the relevant Existing Securities and (ii) all fees and expenses of the trustee in respect of the Existing Securities and its counsel incurred on or prior to the date of the RSA in connection with the Hong Kong Proceeding; and
- (l) the satisfaction of each (or waiver, if any) of the other conditions precedent contained in each of the restructuring documents.

The Restructuring Effective Date shall occur on a date to be publicly announced by the Company after all the conditions having been satisfied or waived, and in any event on or prior to the Longstop Date.

Subject to the terms of the Schemes, any of the conditions to the Restructuring may only be waived upon agreement in writing by: (i) the Company, (ii) Rui Jing and (iii) the Ad Hoc Group (provided that the Ad Hoc Group holds the Minimum AHG Threshold) or, if the Ad Hoc Group does not hold the Minimum AHG Threshold, the Majority Participating Creditors.

As at the date of this announcement, save for the condition set out in paragraph (g), none of the conditions has been fulfilled or waived.

In respect of the condition set out in paragraph (b), the relevant governmental and/or regulatory approvals or other consent as are necessary for the Restructuring to take effect primarily includes the shareholders' approval for the MCB Issue and the transactions thereunder including the grant of the Specific Mandate to allot and issue the MCB Conversion Shares, the listing approval in respect of the MCB Conversion Shares and the approvals and filings from the PRC regulators in respect of the issue of the MCBs and the New Notes.

In respect of the condition set out in paragraph (c), the relevant scheme sanction order(s) refer to the sanction orders to be granted by the courts of Hong Kong and the Cayman Islands in respect of the Kaisa Schemes, and the sanction orders to be granted by the courts of Hong Kong and the British Virgin Islands in respect of the Rui Jing Schemes.

#### **AHG Work Fee Share Issue**

In connection with the Restructuring, the Company and the members of the AHG entered into the AHG Work Fee Letter pursuant to which a portion of the AHG Work Fee in the amount of US\$26,884,818 shall be paid by way of the allotment and issue of Shares at HK\$0.1 per Share by the Company in accordance with the AHG Work Fee Letter.

## 2. ISSUE OF MCBS UNDER SPECIFIC MANDATE

Subject to the occurrence of the Restructuring Effective Date, the Company will issue eight tranches of US\$ denominated mandatory convertible bonds (i.e. the MCBs) that are convertible into new shares of the Company, which shall be allocated to each Scheme Creditor on a pro rata basis under each scheme according to such Kaisa Scheme Creditor's Entitlement or Rui Jing Scheme Creditor's Entitlement, as the case may be.

The principal terms of the MCBs are set out below:

**Issuer:** The Company

**Issue date:** Restructuring Effective Date

**Original Issue Amount:** The original issue amount of each tranche of the MCBs is as follows:

| <b>Tranche of MCBs</b> | <b>Original issue amount</b> |
|------------------------|------------------------------|
|------------------------|------------------------------|

|           |                 |
|-----------|-----------------|
| Tranche A | US\$300 million |
|-----------|-----------------|

|           |                 |
|-----------|-----------------|
| Tranche B | US\$400 million |
|-----------|-----------------|

|           |                 |
|-----------|-----------------|
| Tranche C | US\$500 million |
|-----------|-----------------|

|           |                 |
|-----------|-----------------|
| Tranche D | US\$800 million |
|-----------|-----------------|

|           |                 |
|-----------|-----------------|
| Tranche E | US\$800 million |
|-----------|-----------------|

|           |                 |
|-----------|-----------------|
| Tranche F | US\$1.0 billion |
|-----------|-----------------|

|           |                 |
|-----------|-----------------|
| Tranche G | US\$1.0 billion |
|-----------|-----------------|

|           |                     |
|-----------|---------------------|
| Tranche H | An amount equal to: |
|-----------|---------------------|

(a) 50% of the sum of Rui Jing Scheme Creditors' Entitlements multiplied by the Rui Jing Scheme Recovery Rate Ratio, plus

(b) 50% of the sum of Kaisa Scheme Creditors' Entitlements multiplied by the Kaisa Scheme Recovery Rate Ratio, minus

(c) the aggregate principal amount of Tranches A through G MCBs set forth above.



**Tranche of MCBs      Original issue amount**

“Rui Jing Scheme Recovery Rate Ratio” means the ratio calculated as follows:

Rui Jing Scheme Recovery Rate Ratio  
= Liquidation Recovery Rate for Rui Jing Scheme Creditors/(Liquidation Recovery Rate for Kaisa Scheme Creditors + Liquidation Recovery Rate for Rui Jing Scheme Creditors)

“Kaisa Scheme Recovery Rate Ratio” means the ratio calculated as follows:

Kaisa Scheme Recovery Rate Ratio  
= Liquidation Recovery Rate for Kaisa Scheme Creditors/(Liquidation Recovery Rate for Kaisa Scheme Creditors + Liquidation Recovery Rate for Rui Jing Scheme Creditors)

where:

“Liquidation Recovery Rate for Kaisa Scheme Creditors” means the recovery rate from Kaisa in respect of the Kaisa Scheme Creditors’ claims based on the liquidation recovery analysis, provided that if such recovery rate as set forth in the liquidation recovery analysis equals to zero, then it shall be calculated based on US\$1.

“Liquidation Recovery Rate for Rui Jing Scheme Creditors” means the recovery rate from Rui Jing and the other Subsidiary Guarantors in respect of the Rui Jing Scheme Creditors’ claims based on the liquidation recovery analysis, provided that if such recovery rate as set forth in the liquidation recovery analysis equals to zero, then it shall be calculated based on US\$1.



**Tranche of MCBs      Original issue amount**

As regards the Rui Jing Scheme Creditors' Entitlements, for the purpose of distribution of the Restructuring Consideration for each Rui Jing Scheme Creditor, the value of each "Rui Jing Scheme Creditor's Entitlement" shall be the sum of:

- (1) the outstanding principal amount of the Rui Jing In-Scope Debt held by such Rui Jing Scheme Creditor at the Rui Jing Scheme Record Time (which amounts to US\$11,714,156,124 based on the Company's records as at the date of this announcement); and
- (2) 50% of all accrued and unpaid interest (but excluding any default interest and other fees and charges) on such Rui Jing In-Scope Debt up to (but excluding) the Kaisa Reference Date (such accrued and unpaid interest, after applying such 50%, amounts to US\$1,451,320,276 based on the Company's records).

Assuming there is no change in the outstanding principal amount of the Rui Jing In-Scope Debt held by such Rui Jing Scheme Creditor from the date of this announcement to the Rui Jing Scheme Record Time, it is estimated that the Rui Jing Scheme Creditors' Entitlements would amount to US\$13,165,476,400 (being the sum of (1) and (2) above).

**Tranche of MCBs      Original issue amount**

As regards the Kaisa Scheme Creditors' Entitlements, for the purpose of distribution of the Restructuring Consideration for each Kaisa Scheme Creditor, the value of each "Kaisa Scheme Creditor's Entitlement" shall be the sum of:

- (1) the outstanding principal amount of the Kaisa In-Scope Debt held by such Kaisa Scheme Creditor at the Kaisa Scheme Record Time (which amounts to US\$12,265,156,124 based on the Company's records as at the date of this announcement); and
- (2) 50% of all accrued and unpaid interest (but excluding any default interest and other fees and charges) on such Kaisa In-Scope Debt up to (but excluding) the Kaisa Reference Date (such accrued and unpaid interest, after applying such 50%, amounts to US\$1,519,282,133 based on the Company's records).

Assuming there is no change in the outstanding principal amount of the Kaisa In-Scope Debt held by such Kaisa Scheme Creditor from the date of this announcement to the Kaisa Scheme Record Time, it is estimated that the Kaisa Scheme Creditors' Entitlements would amount to US\$13,784,438,257 (being the sum of (1) and (2) above).

## **Tranche of MCBs      Original issue amount**

According to the latest liquidation analysis based on the Company's financials as of 30 June 2024, the Liquidation Recovery Rate for Rui Jing Scheme Creditors is 2.00% and the Liquidation Recovery Rate for Kaisa Scheme Creditors is 1.21%. Therefore, the latest Rui Jing Scheme Recovery Rate Ratio is 62.3% and the latest Kaisa Scheme Recovery Rate Ratio is 37.7%.

Based on the Rui Jing Scheme Recovery Rate Ratio of 62.3%, Kaisa Scheme Recovery Rate Ratio of 37.7%, Rui Jing Scheme Creditors' Entitlements of US\$13,165,476,400 and Kaisa Scheme Creditors' Entitlements of US\$13,784,438,257, the original issue amount of Tranche H of the MCB would be approximately US\$1,899,396,120, calculated as follows:

- (a) 50% of the sum of Rui Jing Scheme Creditors' Entitlements of US\$13,165,476,400 multiplied by the Rui Jing Scheme Recovery Rate Ratio of 62.3%, plus
- (b) 50% of the sum of Kaisa Scheme Creditors' Entitlements of US\$13,784,438,257 multiplied by the Kaisa Scheme Recovery Rate Ratio of 37.7%, minus
- (c) the aggregate principal amount of Tranches A through G MCBs of US\$4,800,000,000.

**Tranche of MCBs      Original issue amount**

In the event that it is finally determined that the Rui Jing Scheme Recovery Rate Ratio is 0% and the Kaisa Scheme Recovery Rate Ratio is 100%, with Rui Jing Scheme Creditors' Entitlements of US\$13,165,476,400 and Kaisa Scheme Creditors' Entitlements of US\$13,784,438,257, the original issue amount of Tranche H of the MCB would be approximately US\$2,092,219,129, calculated as follows:

- (a) 50% of the sum of Rui Jing Scheme Creditors' Entitlements of US\$13,165,476,400 multiplied by the Rui Jing Scheme Recovery Rate Ratio of 0%, plus
- (b) 50% of the sum of Kaisa Scheme Creditors' Entitlements of US\$13,784,438,257 multiplied by the Kaisa Scheme Recovery Rate Ratio of 100%, minus
- (c) the aggregate principal amount of Tranches A through G MCBs of US\$4,800,000,000.

For the avoidance of doubt, the amount of the scheme claims and the Rui Jing Scheme Creditors' Entitlements and Kaisa Scheme Creditors' Entitlements is subject to verification and finalization, and the liquidation analysis is subject to finalization by the provider of the liquidation analysis.

**Tranche of MCBs      Original issue amount**

Based on the currently available information, it is not expected that the original issue amount of Tranche H of the MCB will be more than US\$2,092,219,129.

Based on the currently available information, it is not expected that the amount of the scheme claims will be less than US\$4,800,000,000, being the aggregate principal amount of Tranches A through G MCBs, therefore, it is not expected that the original issue amount of Tranche H of the MCB will be negative.

**Maturity:**                      The maturity date of each tranche of the MCBs is as follows:

| <b>Tranche</b> | <b>Maturity date</b> |
|----------------|----------------------|
| Tranche A      | 31 December 2025     |
| Tranche B      | 31 December 2026     |
| Tranche C      | 31 December 2027     |
| Tranche D      | 31 December 2028     |
| Tranche E      | 31 December 2029     |
| Tranche F      | 31 December 2030     |
| Tranche G      | 31 December 2031     |
| Tranche H      | 31 December 2032     |

**Interest:**                      The MCBs are not interest bearing.

**Conversion  
events/period:**

**Voluntary Conversion:**

The voluntary conversion period of each tranche of the MCBs is as follows:

| <b>Tranche</b> | <b>Voluntary conversion period</b>  |
|----------------|---|
| Tranche A      | N/A   |
| Tranche B      | 1 July 2026 to 31 December 2026 (or as may be otherwise agreed between the Company and the AHG if the Restructuring Effective Date is later than 31 December 2024 <sup>Note</sup> ) |
| Tranche C      | 1 July 2027 to 31 December 2027 (or as may be otherwise agreed between the Company and the AHG if the Restructuring Effective Date is later than 31 December 2024 <sup>Note</sup> ) |
| Tranche D      | 1 January 2028 to 31 December 2028  |
| Tranche E      | 1 January 2029 to 31 December 2029  |
| Tranche F      | 1 January 2030 to 31 December 2030  |
| Tranche G      | 1 January 2031 to 31 December 2031  |
| Tranche H      | 1 January 2032 to 31 December 2032  |

*Note:* An announcement will be published in case of any updates to the voluntary conversion period in respect of Tranche B and Tranche C of the MCBs.

**VWAP Early Voluntary Conversion Triggers:**

In the event the VWAP Early Conversion Trigger Date (as defined below) occurs, all of the relevant MCBs will become immediately convertible into the Shares at the relevant MCB Conversion Price at the election of the holders of the MCBs.

“VWAP Early Voluntary Conversion Trigger Date” means the earliest trading day after 31 December 2027, on which the volume weighted average price of the Shares traded on the Stock Exchange for the 30 trading days ending on such trading day is equal to or above the MCB Conversion Price for the relevant MCBs.

**Mandatory Conversion:**

On maturity, each tranche of the outstanding MCBs will be mandatorily converted into Kaisa's shares at the relevant MCB Conversion Price.

**EOD Conversion:**

If any event of default has occurred and is continuing under the New Notes or the MCBs, any holder of the MCBs may deliver a notice to convert all or part of the MCBs it holds into Kaisa's shares at the relevant MCB Conversion Price.

**COC Conversion:**

If a change of control as set out in the MCB trust deed has occurred, any holder of the MCBs may deliver a notice to convert all or part of the MCBs it holds into Kaisa's shares. The price at which Shares will be issued upon such conversion event will initially be the 90-trading day-volume weighted average price for the 90 trading days immediately preceding the date that is the first day of the conversion period as set out in the terms and conditions of the MCBs, subject to adjustment in the manner set out in the paragraph headed "Adjustment events" below.

**Conversion price:**

Subject to the terms and conditions of the MCBs, the initial MCB Conversion Price for the relevant tranches of the MCBs are as follows:

| <b>Tranche</b> | <b>Initial MCB Conversion Price</b> |
|----------------|-------------------------------------|
| Tranche A      | HK\$4.75 per Share                  |
| Tranche B      | HK\$4.75 per Share                  |
| Tranche C      | HK\$4.75 per Share                  |
| Tranche D      | HK\$4.05 per Share                  |
| Tranche E      | HK\$4.05 per Share                  |
| Tranche F      | HK\$4.05 per Share                  |
| Tranche G      | HK\$4.05 per Share                  |
| Tranche H      | HK\$4.05 per Share                  |

Each of the initial MCB Conversion Prices above may be adjusted upon the occurrence of the adjustment events set out in the paragraph headed "Adjustment events" below.



The initial MCB Conversion Price of HK\$4.75 per Share for Tranche A, Tranche B and Tranche C of the MCBs represents:

- (a) a premium of approximately 4,103.5% over the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on 20 August 2024, being the date of the RSA;
- (b) a premium of approximately 2,481.5% over the closing price of HK\$0.184 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (c) a premium of approximately 2,413.2% over the average closing price of HK\$0.189 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

The initial MCB Conversion Price of HK\$4.05 per Share for Tranche D, Tranche E, Tranche F, Tranche G and Tranche H of the MCBs represents:

- (a) a premium of approximately 3,484.1% over the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on 20 August 2024, being the date of the RSA;
- (b) a premium of approximately 2,101.1% over the closing price of HK\$0.184 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (c) a premium of approximately 2,042.9% over the average closing price of HK\$0.189 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

Each of the initial MCB Conversion Prices was determined after arms' length negotiations between the Company and the AHG after taking into account, among other things, the share price performance of the Company, the assessment of acceptability of Participating Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure and ensuring continuity in decision-making and strategic direction with a relatively stable shareholder structure to facilitate effective business operations. In order to assess the fairness and reasonableness of the MCB Conversion Prices, the Company has reviewed the daily closing prices of the Shares from 10 March 2023, being approximately 1.5 years prior to date of the RSA, up to and including the date of the RSA (the "**Review Period**"). Each of the initial MCB Conversion Prices is significantly higher than the closing prices of the Shares during the entire Review Period. The closing prices of the Shares demonstrated a general decreasing trend during the Review Period, traded between a range of HK\$0.075 on 23 April 2024 and HK\$0.66 on 10 March 2023, and closed at HK\$0.113 on 20 August 2024, the date of the RSA. Each of the initial MCB Conversion Prices of HK\$4.75 per Share for Tranche A, Tranche B and Tranche C of the MCBs and HK\$4.05 per Share for Tranche D, Tranche E, Tranche F, Tranche G and Tranche H of the MCBs represents a premium of approximately 619.7% and 513.6% respectively, over the highest Share price of HK\$0.66 during the Review Period, and a premium of approximately 4,103.5% and 3,484.1% respectively over the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on 20 August 2024, being the date of the RSA. Therefore, notwithstanding the significant dilution effect of the MCB Issue, the interest of the Shareholders will not be prejudiced. The Company has noted the debt restructuring proposals of other listed issuers which have been announced involving issue of convertible bonds or mandatory convertible bonds and appreciated that the situation of each company is different in terms of the debt size and structure, business model and cashflow generation capability, shareholding structure, creditor profile and restructuring objectives. Taking into account the Company's specific circumstances, the negotiation process with the AHG, the assessment of acceptability of Participating Creditors towards the terms of the Restructuring and the amount of debt that can be equitized achieving the deleveraging objective and a sustainable capital structuring of the Company, it is believed that the terms of the MCB reflect arm's-length negotiations and the MCB Conversion Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

**Adjustment events:**

Subject to the terms and conditions of the MCBs, each of the initial MCB Conversion Prices shall be subject to adjustment upon the occurrence of certain adjustment events including:

- (i) *Consolidation, Subdivision, Redesignation or Reclassification:* If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision redesignation or reclassification, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date such consolidation, subdivision, redesignation or reclassification takes effect.

(ii) *Capitalisation of Profits or Reserves:*

- (1) If and whenever the Company shall issue any Shares credited as fully paid to the Shareholders by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any scrip dividend) and which would not have constituted a capital distribution, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;  
and  
B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (2) In the case of an issue of Shares by way of a scrip dividend where the aggregate value of such Shares issued by way of scrip dividend as determined by reference to the Current Market Price per Share on the date of announcement of the terms of such scrip dividend exceeds the amount of the relevant cash dividend or the relevant part thereof and which would not have constituted a capital distribution, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;
- B is the aggregate nominal amount of Shares issued by way of such scrip dividend multiplied by a fraction of which (a) the numerator is the amount of the whole, or the relevant part, of the relevant cash dividend for which Shareholders have elected to receive as Shares issued by way of scrip dividend and (b) the denominator is the aggregate value of such Shares issued by way of scrip dividend as determined by reference to the Current Market Price per Share on the date of such announcement; and
- C is the aggregate nominal amount of Shares issued by way of such scrip dividend.

Such adjustment shall become effective on the date of issue of such Shares issued by way of scrip dividend or if a record date is fixed therefor, immediately after such record date.

(iii) *Capital Distributions*: If and whenever the Company shall pay or make any capital distribution to the Shareholders (except to the extent that the MCB Conversion Price falls to be adjusted under paragraph (ii) above), the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such capital distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price per Share on the date on which the capital distribution is first publicly announced; and

B is the fair market value per Share.

Such adjustment shall become effective on the date that such capital distribution is actually made or paid or if a record date is fixed therefor, immediately after such record date.

(iv) *Rights Issues of Shares or Options over Shares*: If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares, in each case at less than 85 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.



- (v) *Rights Issues of Other Securities:* If and whenever the Company shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

- A is the Current Market Price per Share on the date on which such issue or grant is publicly announced; and
- B is the fair market value per Share on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(vi) *Issues at less than Current Market Price:* If and whenever the Company shall issue (otherwise than as mentioned in paragraph (iv) above) any Shares (other than (1) Shares issued on the exercise of conversion rights attaching to the MCBs, upon mandatory conversion of the MCBs or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in paragraph (iv) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 85 per cent. of the Current Market Price on the date of the first public announcement of the terms of such issue, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

- A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

(vii) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this paragraph (vii), if and whenever the Company or any of its subsidiaries (otherwise than as mentioned in paragraphs (iv), (v) or (vi)) or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity, shall issue any securities (other than the MCBs) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Company upon conversion, exchange or subscription at a consideration per Share which is less than 85 per cent. of the Current Market Price on the date of the first public announcement of the terms of issue of such securities, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share on the date of such announcement; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

Such adjustment shall become effective on the date of issue of such securities.

(viii) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in paragraph (vii) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 85 per cent. of the Current Market Price on the date of announcement of the proposals for such modification, the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the maximum number of Shares which the aggregate consideration receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share on the date of such announcement or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an independent financial advisor considers appropriate (if at all) for any previous adjustment under this paragraph (viii) or paragraph (vii).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(ix) *Other Offers to Shareholders*: If and whenever the Company or any of its subsidiaries or (at the direction or request of or pursuant to any arrangements with the Company or any of its subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the MCB Conversion Price falls to be adjusted under paragraph (iv), (v), (vi) or (vii)), the MCB Conversion Price shall be adjusted by multiplying the MCB Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price per Share on the date on which such issue, sale or distribution is publicly announced; and

B is the fair market value of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities.

- (x) *Other Events*: If the Company determines that an adjustment should be made to the MCB Conversion Price as a result of one or more events or circumstances not referred to above, the Company shall, at its own expense, consult an independent financial advisor to determine as soon as practicable what adjustment (if any) to the MCB Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the MCB Conversion Price, and the date on which such adjustment should take effect and upon such determination by the independent financial advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination, *provided* that where events or the circumstances giving rise to any adjustment pursuant to the relevant terms and conditions of the MCBs have already resulted or will result in an adjustment to the MCB Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the MCB Conversion Price, such modification (if any) shall be made to the operation of the provisions of the relevant terms and conditions of the MCBs as may be advised by the independent financial advisor to be in its opinion appropriate to give the intended result. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders' interest in the Company's equity caused by such events or circumstances.

**“Current Market Price”** means, in respect of a Share on a particular date, the arithmetic average of the closing prices for one Share (being a Share carrying full entitlement to dividend) for the five consecutive trading days ending on the trading day immediately preceding such date, *provided* that if at any time during the said five trading day period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the closing price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the fair market value of that dividend per Share; or

- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the closing price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the fair market value of that dividend per Share;

and *provided further* that if the Shares on each of the said five trading days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the closing price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the fair market value of that dividend per Share.

If any doubt shall arise as to whether an adjustment falls to be made to the MCB Conversion Price or as to how an adjustment to the MCB Conversion Price under the relevant terms and conditions of the MCBs should be made, and following consultation between the Company and an independent financial advisor, a written opinion of such independent financial advisor in respect thereof shall be conclusive and binding on the Company, the holders of the MCBs and the conversion agent, save in the case of manifest error.

**Maximum number  
of MCB Conversion  
Shares to be allotted  
and issued under  
the MCBs:**

Assuming that it is finally determined that the Rui Jing Scheme Recovery Rate Ratio is be 0% and the Kaisa Scheme Recovery Rate Ratio is 100% where MCBs in the aggregate principal amount of US\$6,892,219,129 will be issued by the Company in the Restructuring, of which Tranche A MCB, Tranche B MCB and Tranche C MCB in the aggregate principal amount of US\$1,200,000,000, and Tranche D MCB, Tranche E MCB, Tranche F MCB, Tranche G MCB and Tranche H MCB in the aggregate principal amount of US\$5,692,219,129 will be issued by the Company and assuming full conversion of the MCBs at the relevant initial MCB Conversion Price and based on the agreed exchange rate of US\$1 = HK\$7.85, the MCBs may be converted into a maximum aggregate of 13,016,224,595 new Shares.



The maximum aggregate of 13,016,224,595 new Shares represent:

- (i) approximately 185.5% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 65.0% of the issued share capital of the Company as enlarged by the allotment and issue of such MCB Conversion Shares.

**Guarantee:** The MCBs will be guaranteed by the relevant subsidiary guarantors of the Company and certain springing guarantors (if any and upon fulfillment of certain conditions).

**Ranking:** The MCBs will have the same ranking as the New Notes.

**Collateral:** The MCBs will be secured by:

- (a) first ranking security over certain shareholder loan;
- (b) first ranking security over the offshore allocation account;
- (c) first ranking security over the designated onshore account (on a best effort basis and subject to receipt of all relevant regulatory, judicial and/or governmental approvals as required to create valid security and any other conditions agreed between the Company and the Ad Hoc Group in the restructuring documents);
- (d) first ranking security over the all of the issued shares of the following entities:
  - (i) Ambitious Power Developments Limited (a subsidiary of the Company principally engaged in investment holding);
  - (ii) Kaisa Overseas Group Limited (a subsidiary of the Company principally engaged in investment holding);
  - (iii) Sino Superior Holdings Limited (a subsidiary of the Company with no operation); and
  - (iv) each of the Subsidiary Guarantors under the June 2026 Notes.

Subject to the terms of the restructuring documents, the collateral may be enforced and/or the guarantee may be called on upon the occurrence of events of default under the MCBs and/or the New Notes.

The Company will assess the Listing Rules implications arising from any enforcement of the collateral based on the then prevailing facts and circumstances and comply with the relevant requirements under the Listing Rules if applicable.

**Cash sweeps:**

The MCBs benefit from certain cash sweep undertakings in respect of specified onshore assets and specified offshore assets, a summary of key terms is as follows:

1. Onshore assets
  - (a) The Company shall, and shall procure the relevant member of the Group to, take all steps and actions necessary to dispose of any and all designated investment properties, directly or indirectly, as soon as reasonably practicable. Upon consummation of any specified onshore investment property sale, the Company shall (or shall procure the relevant member of the Group to) remit 75% of the net cash proceeds from such sale to the designated onshore account as soon as reasonably practicable.
  - (b) Upon receipt of any cash proceeds or cash dividends from any sale, transfer or disposal of any designated urban renewal project or the shares of relevant holding company by any member of the Group, the Company shall (or shall procure the relevant member of the Group to) remit 75% of the net cash proceeds from such sale to the designated onshore account as soon as reasonably practicable.

The Company shall use best efforts to remit and/or procure to remit any and all funds in the designated onshore account to the offshore allocation account as soon as reasonably practicable after the satisfaction of the relevant conditions precedent including without limitation the receipt by the Company and the relevant member(s) of the Group of all relevant regulatory, judicial and/or governmental approvals. The funds in the designated onshore account shall not be used or transferred for any other purpose.

## 2. Offshore assets

Upon receipt of any cash dividends on, or cash proceeds from any specified offshore asset distribution by the Company or any member of the Group, the Company shall (or shall procure the relevant member of the Group to), as soon as reasonably practicable, remit 100% of the net cash proceeds of such distribution to: (i) the designated onshore account in the event such distribution is made in the PRC; or (ii) the offshore allocation account in the event such distribution is made outside of the PRC.

The Company shall apply, or procure the application of, the amount in the offshore allocation account in the following order of priority:

- (i) in the event that the accumulated and unapplied amount in the offshore allocation account exceeds US\$5 million, for so long as any AHG Work Fee Notes remain outstanding, the Company shall apply such amount towards payment of any amount due and payable under the AHG Work Fee Notes at such time and/or redemption of the AHG Work Fee Notes at par plus accrued and unpaid interest from all holders of the AHG Work Fee Notes on a pro rata basis;
- (ii) after all of the AHG Work Fee Notes have been redeemed, an amount required for payment of any and all amounts due and payable under the New Notes in the next twelve calendar months (the “**New Notes Debt Service Reserve**”) shall be set aside so long as the New Notes remain outstanding and be applied solely towards payment of any and all amount due and payable under the New Notes; and
- (iii) after all of the AHG Work Fee Notes have been redeemed and any amount constituting the New Notes Debt Service Reserve has been deducted and reserved, any remaining amount in the offshore allocation account shall be applied towards redemption and/or repurchase of the New Notes and/or the MCBs, at the Company’s election.

Notwithstanding the foregoing, prior to the occurrence of the Restructuring Effective Date, the Company may use any net cash proceeds received prior to the Restructuring Effective Date that are subject to the onshore or offshore cash sweep undertakings towards payment of the specified expenses and the Company shall remit (or procure the relevant member(s) of the Group to remit) any remaining net cash proceeds to the designated onshore account or the offshore allocation account (as applicable) on the Restructuring Effective Date.

**Redemption events:**

**(a) Redemption upon maturity**

Subject to the terms and conditions of the MCBs, unless previously redeemed, converted or purchased and cancelled, each tranche of the MCBs will be mandatorily and automatically converted into Shares at the applicable MCB Conversion Price on the maturity date.

**(b) MCB Discounted Call Redemption**

Kaisa may, at its option, redeem any or all of the MCBs on a *pro rata* basis from all holders at a redemption price as set out in the table below, *provided* that (i) such redemption shall only be conducted after the AHG Work Fee Notes are fully repaid or refinanced, and any MCBs so redeemed will be forthwith cancelled, and (ii) no event of default has occurred and is continuing under the New Notes or the MCBs:

| <b>MCB Discounted<br/>Call Period</b> | <b>MCB Discounted<br/>Call Redemption Price</b>        |
|---------------------------------------|--|
| 1 January 2025 to<br>31 December 2025 | 25% of the outstanding principal<br>amount of the MCBs |
| 1 January 2026 to<br>31 December 2026 | 35% of the outstanding principal<br>amount of the MCBs |
| 1 January 2027 to<br>31 December 2027 | 50% of the outstanding principal<br>amount of the MCBs |

**(c) Redemption at the option of the Company**

Subject to the terms and conditions of the MCBs, on giving notice to the holders of the MCBs and to the trustee and principal agent (which notice shall be irrevocable) meeting the notice period as set out in the terms and conditions of the MCB, the Company may redeem all or any part of the MCBs on the date specified in the notice at their principal amount as at such date, at any time.

**(d) Redemption for taxation reasons**

Subject to the terms and conditions of the MCBs, at any time the Company may, having given notice to the holders of the MCBs, the trustee and the principal agent (which notice shall be irrevocable) meeting the notice period as set out in the terms and conditions of the MCB, redeem all but not some only of the MCBs at their principal amount as at such date if (i) the Company has or will become obliged to pay additional taxation amounts as a result of any change in, or amendment to, the laws or regulations of the relevant jurisdictions, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it.

**(e) Redemption for a relevant event**

Following the occurrence of a relevant event relating to delisting of the Shares, trading suspension of the Shares or a change of control of the Company as set out in the MCB trust deed, any holder of the MCBs may, at its option, require the Company to redeem all or part of the MCBs it holds at a redemption price equal to 100 per cent. of the relevant principal amount as at the relevant redemption date.

**Tender Offer:**

Kaisa or any of its subsidiaries may, subject to applicable laws and regulations, at any time and from time to time in accordance with the MCB trust deed: (i) purchase MCBs at any price in the open market or otherwise; or (ii) make an offer to purchase the MCBs at any purchase price, *provided* that (1) no event of default has occurred and is continuing under the New Notes or the MCBs; and (2) the AHG Work Fee Notes have already been redeemed/repaid in full.

**Treatment at an Event of Default under the New Notes:**

If an event of default occurs and is continuing under the New Notes:

- (1) the outstanding MCBs shall become immediately due and payable debt claims that rank *pari passu* with the New Notes;
- (2) the holders of the MCBs may voluntarily convert their MCBs into Shares at the MCB Conversion Price for the respective tranche(s) of the MCBs, *provided, however*, if the Company fails to satisfy such voluntary conversion requests, the Company shall settle any relevant debt claims in cash; and
- (3) there shall be no requirement for the mandatory conversion of all or any part of the MCBs.

**Events of default:**

Events of default under the MCBs include but not limited to default in payment of principal when due, delisting of the Shares, failure to deliver Shares following conversion of the MCBs and other customary events of default, in each case subject to any remedy period or carve-outs (if applicable) as set out in the terms of the MCBs.

**Voting rights:**

The holder(s) of the MCBs shall not have any right to attend or vote in any general meeting of the Company.

**Transfer restrictions:**

The MCBs will not be registered under the Securities Act or any securities law of any state or other jurisdiction of the United States, and may be not offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**Trustee:**

Serica Agency Limited (including any of its successors).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, Serica Agency Limited was independent of the Company and not connected persons of the Company. The trustee acts as trustee of the MCB trust deed subject to the terms and conditions thereof.

**Principal agent:** The Bank of New York Mellon, London Branch (including any of its successors).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Bank of New York Mellon, London Branch was independent of the Company and not connected persons of the Company. The principal agent is an agent of the Company in respect of the MCBs (except in the circumstances as described under the restructuring documents).

### **Conditions to the MCB Issue**

The MCB Issue is conditional upon the following conditions being satisfied:

- (a) the conditions precedent to the Restructuring having been satisfied (or waived);
- (b) the passing of necessary resolutions by the Shareholders at the EGM approving the MCB Issue and the transactions contemplated thereunder;
- (c) the granting of the approval for the listing of and permission to deal in the MCB Conversion Shares by the Listing Committee of the Stock Exchange; and
- (d) to the extent required by applicable law, registration of foreign debt with respect to the offering of the MCB at the National Development and Reform Commission of the PRC.

The MCB Issue will not occur if any of the conditions above is not satisfied. As at the date of this announcement, none of the conditions has been satisfied.

### **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the MCB Conversion Shares.

An application will be made for the listing and quotation of the MCBs on the SGX. That said, for the avoidance of doubt, the MCB Issue is not subject to the listing and quotation of the MCBs on the SGX.

### **Specific Mandate**

The Company will seek at the EGM the Specific Mandate from the Shareholders for the allotment and issue of the MCB Conversion Shares. The MCB Issue and the transactions contemplated thereunder are subject to the passing of necessary resolutions by the Shareholders at the EGM.

### **3. AHG WORK FEE SHARE ISSUE**

In connection with the Restructuring, the Company and the members of the AHG entered into the AHG Work Fee Letter dated 20 August 2024 pursuant to which the Company has agreed to pay (or procure that another member of the Group pay) certain fees to each member of the AHG in consideration for the work undertaken by each member of the AHG in furtherance of the Restructuring and a portion of the AHG Work Fee in the aggregate amount of US\$26,884,818 shall be paid by way of the allotment and issue of 2,100,000,000 Shares by the Company in accordance with the terms and conditions of the AHG Work Fee Letter.

The MCB Issue and the AHG Work Fee Share Issue are not inter-conditional. However, subject to the occurrence of the Restructuring Effective Date, both the MCB Issue and the AHG Work Fee Share Issue will occur on the Restructuring Effective Date.

Similarly, the issue of MCBs and/or New Notes and/or the completion of the Restructuring is not subject to the AHG Work Fee Share Issue. However, subject to the occurrence of the Restructuring Effective Date, all of the MCB Issue, the issue of the New Notes, the AHG Work Fee Share Issue and completion of the Restructuring will all occur on the Restructuring Effective Date.

#### **The AHG Work Fee Shares**

The 2,100,000,000 Shares represent:

- (i) approximately 29.9% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 23.0% of the issued share capital of the Company as enlarged by the allotment and issue of such AHG Work Fee Shares.

The AHG Work Fee Shares have an aggregate nominal value of HK\$210,000,000 and market value of HK\$237,300,000 based on the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on the date of the AHG Work Fee Letter.

#### **Ranking of the AHG Work Fee Shares**

The AHG Work Fee Shares, when allotted and issued, will be free of all encumbrances and rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the AHG Work Fee Shares.



## **Issue price of the AHG Work Fee Shares**

The AHG Work Fee Shares will be allotted and issued at the price of HK\$0.1 per Share. Such price represents:

- (i) a discount of approximately 11.5% to the closing price of HK\$0.113 per Share as quoted on the Stock Exchange on 20 August 2024, being the date of the AHG Work Fee Letter;
- (ii) a discount of approximately 8.6% to the average closing price of HK\$0.1094 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding 20 August 2024, being the date of the AHG Work Fee Letter;
- (iii) a discount of approximately 45.7% to the closing price of HK\$0.184 per Share as quoted on the Stock Exchange on the date of this announcement; and
- (iv) a discount of approximately 47.1% to the average closing price of HK\$0.189 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of this announcement.

The issue price was determined with reference to the prevailing market price with a discount of approximately 10% to the average closing price of HK\$0.1094 per Share as quoted on the Stock Exchange for the last five trading days immediately preceding the date of the AHG Work Fee Letter and was negotiated on an arm's length basis between the Company and the members of the AHG. The Board is of the view that the approximately 10% discount is not a significant discount as compared to the then prevailing market price and the issue price of the AHG Work Fee Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has noted the debt restructuring proposal announced by another listed issuer involving payment of work fee to an ad hoc group of creditors through allotment and issue of equity-linked instruments and understood that the Company's current proposal of the payment of part of the AHG Work Fee by way of an allotment and issue of shares is not the only announced case in the market among PRC real estate companies' debt restructuring cases where work fee would be paid to an ad hoc group of creditors by way of the allotment and issue of shares or equity-linked instruments. The Company however appreciated that the situation of each company is different in terms of the amount of the fees that needs to be paid to the ad hoc group of creditors after negotiations, the liquidity and financial situation, and the restructuring objectives. Taking into account the Company's specific circumstances and the payment of the AHG Work Fee partially by the allotment and issue of the AHG Work Fee Shares thereby creating less cash flow pressure on the Group, it is believed that the terms of the AHG Work Fee Share Issue reflect arm's-length negotiations, and the issue price of the AHG Work Fee Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions to the AHG Work Fee Share Issue**

The AHG Work Fee Share Issue is conditional upon the following conditions being satisfied:

- (a) the conditions precedent to the Restructuring having been satisfied (or waived);
- (b) the passing of necessary resolutions by the Shareholders at the EGM approving the AHG Work Fee Share Issue and the transactions contemplated thereunder; and
- (c) the granting of the approval for the listing of and permission to deal in the AHG Work Fee Shares by the Listing Committee of the Stock Exchange.

The AHG Work Fee Share Issue will not occur if any of the conditions above is not satisfied. As at the date of this announcement, none of the conditions has been satisfied.

## **Completion**

The AHG Work Fee Shares shall be arranged to be allotted and issued to each member of the AHG in accordance with its relevant share (with the delivery of the relevant physical share certificate(s) to each AHG Member's designated holder(s) on the Restructuring Effective Date), following which the remaining amount of the AHG Work Fee payable by the Company shall be reduced by an amount that is equal to US\$26,884,818.

## **Application for listing**

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the AHG Work Fee Shares.

## **Specific Mandate**

The Company will seek at the EGM the Specific Mandate from the Shareholders for the allotment and issue of the AHG Work Fee Shares. The AHG Work Fee Share Issue and the transactions contemplated thereunder are subject to the passing of necessary resolutions by the Shareholders at the EGM.

## **4. INFORMATION ON THE COMPANY**

The Company is engaged in investment holding and the Group is principally engaged in property development, property investment, property management, hotel and catering operations, cultural centre operations and healthcare operations in the People's Republic of China.

## **5. REASONS FOR AND BENEFITS OF THE POSSIBLE TRANSACTIONS IN CONNECTION WITH THE RESTRUCTURING**

### **Overview of the Group's financial situation**

Starting from the second half of 2021, the real estate sector in China has experienced significant changes and real estate developers have been confronted with unprecedented challenges with regard to liquidity and funding. Under these circumstances, the Group has responded in a proactive manner by continuously adopting measures, such as accelerating sales and cash collection, making progress with asset disposals and strictly controlling costs and expenses, in an effort to repay the debts. Since 2023, in the circumstances where the industry sales and financing environment have not been notably improved, the Group has experienced a rapid decline in contracted sales and increased uncertainty in asset disposals and has continuously faced limitations in various financing activities. In response to mounting liquidity pressures, the Group has been in active dialogues with its creditors and endeavoured to proactively manage its liabilities. Despite these efforts, the Group's liquidity is still expected to be confronted with continuous challenges in the short-to-medium term. As disclosed in the Company's announcements, a winding-up petition has been issued against the Company in relation to the Company's non-payment of certain existing indebtedness i.e. the Hong Kong Proceeding. With the significant progress made in the Restructuring (as articulated in this announcement), the hearing of the Hong Kong Proceeding has been adjourned to 31 March 2025.

As set out in the interim report of the Group for the six months ended 30 June 2024, as at 30 June 2024, the Group had unaudited interest bearing bank and other borrowings in principal amount of RMB135,078.4 million, of which (i) RMB17,474.3 million were classified as non-current borrowings and (ii) RMB117,604.1 million were classified as current borrowings. Further details of the indebtedness situation of the Company as at 30 June 2024 are set out in the interim report of the Group for the six months ended 30 June 2024 and published on the websites of the Stock Exchange and the Company on 30 September 2024.

The scope of the Restructuring covers the In-Scope Debt, with an aggregate outstanding principal amount of approximately US\$12.27 billion (or approximately RMB87.44 billion) plus accrued interests. The In-Scope Debt of US\$12.27 billion (or approximately RMB87.44 billion) comprises the Company's obligations as primary issuer of US\$11.50 billion (or approximately RMB81.95 billion), the perpetual securities issued by the Company and recorded under equity of US\$0.2 billion (or approximately RMB1.43 billion) and the Company's obligations as guarantor of US\$0.57 billion (or approximately RMB4.06 billion). Details of the creditors of such indebtedness are set out in the section headed "**8. INFORMATION ON THE IN-SCOPE DEBT**" below.

The liabilities of the Company and other Obligors under such In-Scope Debt will be fully released and discharged upon the distribution of the Restructuring Consideration to the Scheme Creditors on the Restructuring Effective Date consisting of New Notes and MCBs.

In addition to the release of the Perpetual Securities (which has been accounted for as equity in the Group's balance sheet) in principal amount of US\$0.2 billion (or approximately RMB1.43 billion) and the Company's obligations as guarantor of US\$0.57 billion (or approximately RMB4.06 billion) under the Restructuring, the following debts in the Group's balance sheet (all of which are now regarded as current liabilities) will also be released and discharged under the Restructuring:

|                                      | <i>RMB'000</i>     | <i>US\$'000</i>   |
|--------------------------------------|--------------------|-------------------|
| Senior Notes                         | 81,776,288         | 11,474,475        |
| Bank Borrowings                      | 175,897            | 24,681            |
|                                      | <hr/>              | <hr/>             |
| <b>Sub-total</b>                     | <b>81,952,185</b>  | <b>11,499,156</b> |
| Accrued Interests as of 30 June 2024 | 24,587,467         | 3,450,001         |
|                                      | <hr/>              | <hr/>             |
| <b>Total</b>                         | <b>106,539,652</b> | <b>14,949,157</b> |
|                                      | <hr/>              | <hr/>             |

As mentioned above, as at 30 June 2024, the Group had unaudited interest bearing bank and other borrowings in principal amount of RMB135,078.4 million. After deducting the debts in the Group's balance sheet to be released and discharged in the principal amount of RMB81,952.2 million as set out in the table above, the remaining debts in the Group's balance sheet would amount to approximately RMB53,126.2 million in principal amount. As at the date of this announcement, the Group is in the process of undergoing separate negotiations and/or agreeing amendments and settlement terms with the relevant creditors, or the relevant debts have already been restructured and are not in default.

### **Restructuring**

Against the above backdrop, the Group believes the optimal path forward is a holistic restructuring of its offshore debts. Over the past few months, the Company and members of the AHG, together with their respective advisers, have been engaged in constructive dialogue towards a consensual Restructuring. On 20 August 2024, the Company entered into the RSA with the AHG.

The RSA sets forth the terms of the Restructuring. The contemplated Restructuring is intended to (i) provide the Company with a mid to long-term runway to stabilize the business; (ii) allow adequate financial flexibility to achieve a sustainable capital structure and enhance its net asset value; and (iii) protect the rights and interests, and maximize value, for all stakeholders.

As disclosed in the Company's announcement dated 16 September 2024, as at 13 September 2024, holders of approximately 75.11% of the aggregate outstanding principal amount of the Kaisa In-Scope Debt and approximately 81.07% of the aggregate outstanding principal amount of the Rui Jing In-Scope Debt have acceded to the RSA. Following the exclusion of certain debts from the Kaisa In-Scope Debt, details of which are set out in the section headed "**8. INFORMATION ON THE IN-SCOPE DEBT**" in this announcement, such holders would represent approximately 79.22% of the aggregate outstanding principal amount of the Kaisa In-Scope Debt and approximately 81.07% of the aggregate outstanding principal amount of the Rui Jing In-Scope Debt.

The Company proposed to implement the Restructuring through the Schemes, the effect of which is that all claims of the Scheme Creditors under the In-Scope Debt will be fully released and discharged upon the distribution of the Restructuring Consideration to the Scheme Creditors on the Restructuring Effective Date consisting of New Notes and MCBs.

No net proceeds will be received by the Group from the distribution of the Restructuring Consideration. The Restructuring Consideration will be distributed in exchange for releases of the In-Scope Debt in connection with the Restructuring (among other things), thereby reducing the overall debt size and debt pressure of the Group, enhancing its net asset value and improving the financial position of the Company. Upon completion of the Restructuring, the Perpetual Securities in principal amount of US\$0.2 billion (or approximately RMB1.43 billion) and the Company's obligations as guarantor of US\$0.57 billion (or approximately RMB4.06 billion) will be released in exchange for New Notes and MCBs. In addition, upon completion of the Restructuring, the indebtedness of the Company in the principal amount of US\$11.50 billion (or approximately RMB81.95 billion) plus 50% of all accrued and unpaid interest (but excluding any default interest and other fees and charges) on such indebtedness up to (but excluding) the Kaisa Reference Date, all of which are now regarded as current liabilities of the Company, will, subject to the terms of the Restructuring, also be exchanged for New Notes and MCBs which, with a term of longer than one year, will be recorded under non-current liabilities of the Company (subject to earlier conversion of the MCBs and review by the auditors), thereby improving the liquidity of the Company. The MCB Issue and the AHG Work Fee Share Issue would also increase the capital base through the issue of Shares and help the Company achieve a sustainable capital structure.

Through the payment of the AHG Work Fee partially by the allotment and issue of the AHG Work Fee Shares, less cash flow pressure will be created on the Group. At the same time, the allotment and issue of the AHG Work Fee Shares can enlarge the shareholders' base of the Company which may in turn enhance the liquidity of the Shares. Although the relative shareholding in the Company of the existing Shareholders would be diluted as a result of the conversion of the MCBs and the allotment and issue of the AHG Work Fee Shares, the Board is of the view that it would be in the best interest of the Company and the Shareholders as a whole if the capital deficiency of the Group would be significantly reduced as a result of the completion of the Restructuring.

In addition, the claims related to the Hong Kong Proceeding form part of the In-Scope Debt which would be discharged upon completion of the Restructuring. Pursuant to and subject to the terms of the RSA, each Participating Creditor that instructed the existing trustee of the Existing Securities to commence the Hong Kong Proceeding has agreed to instruct the trustee to, among other things, promptly upon the occurrence of the Restructuring Effective Date, apply for the dismissal and/or withdrawal of the Hong Kong Proceeding or consent to the Company's application for a dismissal of the Hong Kong Proceeding.

The Company currently has limited available cash and, should the Restructuring not proceed, would be unable to repay its overdue indebtedness under and in connection with the In-Scope Debt. Unless the Company is able to satisfy itself that an alternative financial restructuring is likely to be successful (which the Company considers very unlikely given the time and cost of negotiating the Restructuring) it is likely that the Company and other members of the Group will enter into liquidation or other appropriate insolvency proceedings.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the MCB Issue and the AHG Work Fee Share Issue are fair and reasonable based on the current market conditions and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the MCB Issue and the AHG Work Fee Share Issue. None of the Directors is required to abstain from voting on the board resolutions in relation to the MCB Issue or the AHG Work Fee Share Issue.

## **6. EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not carried out any equity fund raising activities in the past 12 months immediately before the date of this announcement.

## **7. EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY**

The table below illustrates the shareholding structure of the Company:

- (a) as at the date of this announcement;
- (b) immediately upon the allotment and issue of the AHG Work Fee Shares;
- (c) immediately upon (i) the allotment and issue of the AHG Work Fee Shares and (ii) full conversion of each tranche of the MCBs at the relevant initial MCB Conversion Price (assuming that MCBs in the aggregate principal amount of US\$6,892,219,129 will be issued by the Company in the Restructuring, of which Tranche A MCB, Tranche B MCB and Tranche C MCB in the aggregate principal amount of US\$1,200,000,000, and Tranche D MCB, Tranche E MCB, Tranche F MCB, Tranche G MCB and Tranche H MCB in the aggregate principal amount of US\$5,692,219,129 will be issued by the Company);
- (d) immediately upon (i) the allotment and issue of the AHG Work Fee Shares, (ii) full conversion of each tranche of the MCBs at the relevant initial MCB Conversion Price (assuming that MCBs in the aggregate principal amount of US\$6,892,219,129 will be issued by the Company in the Restructuring, of which Tranche A MCB, Tranche B MCB and Tranche C MCB in the aggregate principal amount of US\$1,200,000,000, and Tranche D MCB, Tranche E MCB, Tranche F MCB, Tranche G MCB and Tranche H MCB in the aggregate principal amount of US\$5,692,219,129 will be issued by the Company) and (iii) the exercise of all outstanding options granted under the 2009 Share Option Scheme; and



further assuming there is no other change in the issued share capital of the Company from the date of this announcement up to the date of the full conversion of the aforementioned instruments and based on the agreed exchange rate of US\$1= HK\$7.85:

|  | (a) As at the date of this announcement |               | (b) Immediately upon the allotment and issue of the AHG Work Fee Shares |               | (c) Immediately upon the allotment and issue of the AHG Work Fee Shares and full conversion of the MCBs based on the assumptions stated above |               | (d) Immediately upon the allotment and issue of the AHG Work Fee Shares, full conversion of the MCBs and exercise of all outstanding options granted under the 2009 Share Option Scheme based on the assumptions stated above |               |
|--|---|---------------|---|---------------|---|---------------|---|---------------|
|  | Number of Shares                        | Approx. %     | Number of Shares  | Approx. %     | Number of Shares  | Approx. %     | Number of Shares  | Approx. %     |
|  |   |               |   |               |   |               |   |               |
| <b>Directors</b>                             |   |               |   |               |   |               |   |               |
| Mr. Kwok Ying Shing (Note 1)                 | 1,791,656,738                           | 25.54         | 1,791,656,738   | 19.66         | 1,791,656,738   | 8.10          | 1,791,656,738   | 8.04          |
| Mr. Mai Fan                                  | 238,000                                 | 0.00          | 238,000   | 0.00          | 238,000   | 0.00          | 10,562,271  | 0.05          |
| Mr. Zhang Yizhao                             | 7,600,000                               | 0.11          | 7,600,000   | 0.08          | 7,600,000   | 0.03          | 9,045,398   | 0.04          |
| Mr. Li Haiming                               | 0                                       | 0.00          | 0   | 0.00          | 0   | 0.00          | 7,226,990   | 0.03          |
| Mr. Rao Yong                                 | 0                                       | 0.00          | 0   | 0.00          | 0   | 0.00          | 1,445,398   | 0.01          |
| Mr. Liu Xuesheng                             | 0                                       | 0.00          | 0   | 0.00          | 0   | 0.00          | 1,238,913   | 0.01          |
| Mr. Song Wei                                 | 0                                       | 0.00          | 0   | 0.00          | 0   | 0.00          | 8,259,417   | 0.04          |
| Mr. Liu Lihao                                | 0                                       | 0.00          | 0   | 0.00          | 0   | 0.00          | 4,129,708   | 0.02          |
| Da Zheng Investment Company Limited (Note 2) | 963,503,287                             | 13.73         | 963,503,287   | 10.57         | 963,503,287   | 4.35          | 963,503,287   | 4.33          |
| Funde Sino Life Insurance Co., Ltd (Note 3)  | 1,537,696,106                           | 21.92         | 1,537,696,106   | 16.87         | 1,537,696,106   | 6.95          | 1,537,696,106   | 6.90          |
| Holder of MCB (Note 4)                       | 0                                       | 0.00          | 0   | 0.00          | 13,016,224,595  | 58.81         | 13,016,224,595  | 58.44         |
| Members of the AHG (Note 5)                  | 0                                       | 0.00          | 2,100,000,000   | 23.04         | 2,100,000,000   | 9.49          | 2,100,000,000   | 9.43          |
| Other Shareholders (Note 6)                  | 2,714,774,356                           | 38.70         | 2,714,774,356   | 29.78         | 2,714,774,356   | 12.27         | 2,820,288,406   | 12.66         |
| <b>Total:</b>                                | <b>7,015,468,487</b>                    | <b>100.00</b> | <b>9,115,468,487</b>  | <b>100.00</b> | <b>22,131,693,082</b>   | <b>100.00</b> | <b>22,271,277,227</b>   | <b>100.00</b> |

*Notes:*

1. The 1,791,656,738 Shares were registered in the name of, and beneficially owned (i) as to 1,617,000 Shares by Chan Nog, the spouse of Mr. Kwok Ying Shing, (ii) as to 819,506,003 Shares by Da Chang Investment Company Limited, a company wholly owned by Mr. Kwok Ying Shing, and (iii) as to 970,533,735 Shares by Da Feng Investment Company Limited, 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 BEA Trustees. BEA Trustees is the trustee of 970,533,735 Shares under a family trust of which Mr. Kwok Ying Shing is the founder and a beneficiary of the trust. Mr. Kwok Ying Shing was deemed to be interested in these Shares by virtue of the SFO.
2. 963,503,287 Shares were held by Da Zheng Investment Company Limited, which was wholly owned by the brother of Mr. Kwok Ying Shing.

3. 1,537,696,106 Shares were held directly or indirectly by Funde Sino Life Insurance Co., Ltd., of which 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, and 649,700,957 Shares were held by Funde Sino Life Insurance Co., Ltd..
4. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, upon the Restructuring Effective Date, each of the holders of the MCBs will be independent of the Company and connected persons of the Company and will be a member of the public as defined in Rule 8.24 of the Listing Rules.
5. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, upon the Restructuring Effective Date, each of the members of the AHG will be independent of the Company and connected persons of the Company and will be a member of the public as defined in Rule 8.24 of the Listing Rules.
6. All of these Shareholders are members of the public as defined in Rule 8.24 of the Listing Rules as at the date of this announcement.

Under the terms of the MCBs, conversion of the MCBs will not be subject to public float requirements under the Listing Rules. However, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, based on the disclosure of interests filings on the Company that were publicly available on the Disclosure of Interests Online (DION) System, no Scheme Creditor had reported any notifiable interest in 5% or more of the shares of the Company under Part XV of the SFO. Based on the shareholding table above, it is expected that the public float of the Company upon full conversion of the MCBs will be over 80% of the issued share capital of the Company. In addition, as can be seen from the shareholding table above, holders of MCBs alone already constitute approximately 60% of the issued share capital of the Company upon full conversion of the MCBs. Based on information currently available to the Company, there were over 2,203 Scheme Creditors as at the date of this announcement. Therefore, based on such currently available information and barring unforeseen circumstances, the Company is of the view that conversion of the MCBs is unlikely to affect the public float compliance of the Company. The Company will take appropriate steps to ensure that the minimum percentage of public float prescribed by the Stock Exchange is complied with, including designating relevant personnel of the Group to closely monitor the public float situation of the Company. In the unlikely event that the public float percentage falls below the minimum percentage prescribed by the Stock Exchange, the Company will take appropriate steps (including but not limited to placement of Shares) to ensure that a sufficient public float exists for the Shares.

If any person, together with parties acting in concert (within the meaning of the Takeovers Code) with him, would acquire 30% or more of the voting rights of the Company following the conversion of the MCBs, he may incur an obligation to make a general offer for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by him and parties acting in concert with him under the Takeovers Code. If there is any doubt, Scheme Creditors should consult their own professional advisers.



As at the date of this announcement, the Company had no outstanding convertible securities, options or warrants in issue or similar rights which confer any right to subscribe for, convert or exchange into Shares or any agreement or arrangement other than the AHG Work Fee Letter and the MCBs as detailed in this announcement, the 139,584,145 share options granted under the 2009 Share Option Scheme and the maximum number of 596,989,598 share options that may be granted under the 2019 Share Option Scheme.

## 8. INFORMATION ON THE IN-SCOPE DEBT

The scope of the Restructuring covers the In-Scope Debt, with an aggregate outstanding principal amount of approximately US\$12.27 billion, details of which are set out below.

### A. The Existing Securities

- (1) the New York law-governed 6.50% senior notes due December 2021 (the “**December 2021 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2268673337/Common Code: 226867333). As at the date of the RSA, the aggregate principal amount of the December 2021 Notes outstanding was US\$400,000,000;
- (2) the New York law-governed 11.25% senior notes due April 2022 (the “**April 2022 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS1973544700/Common Code: 197354470). As at the date of the RSA, the aggregate principal amount of the April 2022 Notes outstanding was US\$550,000,000;
- (3) the New York law-governed 8.50% senior notes due June 2022 (the “**June 2022 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS1627597955/Common Code: 162759795). As at the date of the RSA, the aggregate principal amount of the June 2022 Notes outstanding was US\$1,147,000,000;
- (4) the New York law-governed 8.65% senior notes due July 2022 (the “**July 2022 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2367127532/Common Code: 236712753). As at the date of the RSA, the aggregate principal amount of the July 2022 Notes outstanding was US\$300,000,000;
- (5) the New York law-governed 10.50% senior notes due September 2022 (the “**September 2022 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2381572002/Common Code: 238157200). As at the date of the RSA, the aggregate principal amount of the September 2022 Notes outstanding was US\$300,000,000;
- (6) the New York law-governed 11.95% senior notes due October 2022 (the “**October 2022 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: US48300TAD46/Common Code: 205784900/CUSIP: 48300T AD4). As at the date of the RSA, the aggregate principal amount of the October 2022 Notes outstanding was US\$600,000,000;

- (7) the New York law-governed 11.50% senior notes due January 2023 (the “**January 2023 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2002235518/Common Code: 200223551). As at the date of the RSA, the aggregate principal amount of the January 2023 Notes outstanding was US\$700,000,000;
- (8) the New York law-governed 10.875% senior notes due July 2023 (the “**July 2023 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2030334192/Common Code: 203033419). As at the date of the RSA, the aggregate principal amount of the July 2023 Notes outstanding was US\$750,000,000;
- (9) the New York law-governed 9.75% senior notes due September 2023 (the “**September 2023 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2201954067/Common Code: 220195406). As at the date of the RSA, the aggregate principal amount of the September 2023 Notes outstanding was US\$980,000,000;
- (10) the New York law-governed 11.95% senior notes due November 2023 (the “**November 2023 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2078247983/Common Code: 207824798). As at the date of the RSA, the aggregate principal amount of the November 2023 Notes outstanding was US\$500,000,000;
- (11) the New York law-governed 9.375% senior notes due June 2024 (the “**June 2024 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS1627598094/Common Code: 162759809). As at the date of the RSA, the aggregate principal amount of the June 2024 Notes outstanding was US\$2,247,453,000;
- (12) the New York law-governed 10.50% senior notes due January 2025 (the “**January 2025 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2101310196/Common Code: 210131019). As at the date of the RSA, the aggregate principal amount of the January 2025 Notes outstanding was US\$500,000,000;
- (13) the New York law-governed 11.25% senior notes due April 2025 (the “**April 2025 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2203824789/Common Code: 220382478). As at the date of the RSA, the aggregate principal amount of the April 2025 Notes outstanding was US\$700,000,000;
- (14) the New York law-governed 9.95% senior notes due July 2025 (the “**July 2025 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2106329134/Common Code: 210632913). As at the date of the RSA, the aggregate principal amount of the July 2025 Notes outstanding was US\$500,000,000;

- (15) the New York law-governed 11.70% senior notes due November 2025 (the “**November 2025 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2338398253/Common Code: 233839825). As at the date of the RSA, the aggregate principal amount of the November 2025 Notes outstanding was US\$1,000,022,000;
- (16) the New York law-governed 11.65% senior notes due June 2026 (the “**June 2026 Notes**”) issued by the Company and guaranteed by the Subsidiary Guarantors (ISIN: XS2347581873/Common Code: 234758187). As at the date of the RSA, the aggregate principal amount of the June 2026 Notes outstanding was US\$300,000,000; and
- (17) the English law-governed senior perpetual capital securities (the “**Perpetual Securities**”) issued by the Company (ISIN: XS2238208917/Common Code: 223820891).

Items listed in Part A are collectively referred to as the “**Existing Securities**”. Items (1) to (16) are collectively referred to as the “**Existing Notes**”.

## **B. Other In-Scope Debt**

- (18) the US\$18 million Facility A Loan, US\$22 million Facility B Loan and US\$80 million Facility C Loan borrowed by Kaisa, with [Redacted] as Original Lender, due 6 January 2022 (the “[**Redacted**]”);
- (19) the US\$110 million 6.6% private placement notes due 4 February 2022, issued by Flourish Century Holdings Limited and guaranteed by the Company (the “**Flourish Notes**”);
- (20) the US\$60 million 8.45% senior guaranteed notes due 1 September 2022, issued by Brilliant Bridge Holdings Limited and guaranteed by the Company (the “**Brilliant Bridge Loan**”);
- (21) the US\$125 million 7.5% term loan facility, borrowed by Grand Sail Developments Limited and guaranteed by the Company, with [Redacted] as lender, due 3 October 2022 (the “[**Redacted**]”);
- (22) the US\$80 million 11.5% guaranteed and secured notes due 3 October 2022, issued by Ye Chang Investment Company Limited and guaranteed by the Company (the “**Ye Chang Notes**”);
- (23) the US\$215 million 8.5% term loan borrowed by Joyful Richness Holdings Limited and guaranteed by the Company, with [Redacted] as Original Lender, due 14 October 2022 (the “[**Redacted**]”); and together with the [Redacted], the [Redacted], the [Redacted], the Ye Chang Notes, the Brilliant Bridge Loan, the ABS Loan 1, the ABS Loan 2, the ABS Loan 3, the ABS Loan 4, the November 2023 Loan and the January 2024 Loan, the “**Existing Loans**”).

Items listed in Part B are collectively referred to as the “**Other In-Scope Debt**” and, together with the Existing Securities, the “**In-Scope Debt**” or the “**Kaisa In-Scope Debt**”. Items (1) to (16), (18) and (23) are collectively referred to as the “**Rui Jing In-Scope Debt**”. The Company may, subject to the requisite consent from the AHG (provided that the AHG’s holding is no less than certain minimum threshold as detailed in the RSA), (i) exclude any debt listed above from the scope and (ii) include any additional debt into the scope.

After the execution of the RSA, the following debts have been excluded from the scope of the In-Scope Debt and the Kaisa In-Scope Debt:

- the CN¥76 million 7.5% asset-backed securities issued by Kaisa Group (Shenzhen) Co., Ltd., due 16 February 2023 (the “**ABS Loan 1**”);
- the CN¥510 million 7.5% asset-backed securities issued by Kaisa Group (Shenzhen) Co., Ltd., due 30 March 2023 (the “**ABS Loan 2**”);
- the CN¥490 million 7.0% asset-backed securities issued by Kaisa Group (Shenzhen) Co., Ltd., due 2 June 2022 (the “**ABS Loan 3**”);
- the CN¥500 million 7.0%–7.5% asset-backed securities issued by Kaisa Group (Shenzhen) Co., Ltd., due 8 August 2023 (the “**ABS Loan 4**”);
- the CN¥1,497 million 6.0%–6.5% loan borrowed by Kaisa Group (Shenzhen) Co., Ltd., due 29 November 2023 (the “**November 2023 Loan**”);
- the CN¥193 million 7.505% loan borrowed by Kaisa Urban Renewal Group (Shenzhen) Limited, due 14 January 2024 (the “**January 2024 Loan**”); and
- the CN¥1,500 million 5.5% loan borrowed by Kaisa Urban Renewal Group (Shenzhen) Limited, due 29 December 2024 (the “**December 2024 Loan**”).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the creditors of the In-Scope Debt was independent of the Company and not connected persons of the Company.

## 9. LISTING RULES IMPLICATIONS

### The MCB Issue

The Company will seek at the EGM the Specific Mandate from the Shareholders for the allotment and issue of the MCB Conversion Shares. The MCB Issue and the transactions contemplated thereunder are subject to the passing of necessary resolutions by the Shareholders at the EGM. The allotment and issue of the MCB Conversion Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the MCB Conversion Shares.

## **The AHG Work Fee Share Issue**

The Company will seek at the EGM the Specific Mandate from the Shareholders for the allotment and issue of the AHG Work Fee Shares. The AHG Work Fee Share Issue and the transactions contemplated thereunder are subject to the passing of necessary resolutions by the Shareholders at the EGM. The allotment and issue of the AHG Work Fee Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the AHG Work Fee Shares.

## **10. GENERAL**

An EGM will be convened and held for the purpose of considering and, if thought fit, approving the resolutions to be proposed at the EGM in relation to the MCB Issue, the AHG Work Fee Share Issue and the transactions as contemplated thereunder.

In order to ascertain the right to attend the EGM, the register of members of the Company will be closed from Monday, 16 December 2024 to Wednesday, 18 December 2024 (both days inclusive) during which period no transfer of Shares will be registered.

Shareholders are reminded that in order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 13 December 2024.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the MCB Issue, the AHG Work Fee Share Issue and the transactions as contemplated thereunder and is required to abstain from voting on the relevant resolutions in respect of the MCB Issue or the AHG Work Fee Share Issue at the EGM.

A circular containing, among others, (a) further details of the MCB Issue and the transactions contemplated thereunder, including the allotment and issue of the MCB Conversion Shares under the Specific Mandate; and (b) further details of the AHG Work Fee Share Issue and the transactions contemplated thereunder, including the allotment and issue of the AHG Work Fee Shares under the Specific Mandate, and (c) a notice of the EGM, together with a form of proxy, will be despatched by the Company to the Shareholders on or before 29 November 2024.

**Completion of the transactions set out in this announcement is subject to the fulfilment or waiver of the conditions precedent as set out in this announcement. The transactions set out in this announcement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## 11. DEFINITIONS

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

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| <b>“2009 Share Option Scheme”</b> | a share option scheme of the Company approved by the Shareholders on 22 November 2009   |
| <b>“2019 Share Option Scheme”</b> | a share option scheme of the Company approved by the Shareholders on 14 June 2019   |
| <b>“AHG” or “Ad Hoc Group”</b>    | an ad-hoc group of offshore creditors of the Company who are Participating Creditors, representing over 34% of the aggregate outstanding principal amount of the Kaisa In-Scope Debt and over 36% of the aggregate outstanding principal amount of the Rui Jing In-Scope Debt, respectively, as at the date of the RSA, and, following the exclusion of certain debts from the Kaisa In-Scope Debt, details of which are set out in the section headed <b>“8. INFORMATION ON THE IN-SCOPE DEBT”</b> in this announcement, representing over 35% of the aggregate outstanding principal amount of the Kaisa In-Scope Debt and over 36% of the aggregate outstanding principal amount of the Rui Jing In-Scope Debt, respectively |
| <b>“AHG Work Fee”</b>             | a work fee to be paid to the Ad Hoc Group in accordance with the AHG Work Fee Letter  |
| <b>“AHG Work Fee Letter”</b>      | the fee letter dated 20 August 2024 entered into between the Company and members of the AHG   |
| <b>“AHG Work Fee Notes”</b>       | certain senior notes to be issued by Kaisa to the members of the AHG in partial satisfaction of the AHG Work Fee payable in accordance with AHG Work Fee Letter   |
| <b>“AHG Work Fee Shares”</b>      | 2,100,000,000 Shares to be allotted and issued to members of the AHG in satisfaction of the equity component of the AHG Work Fee in accordance with the AHG Work Fee Letter   |
| <b>“AHG Work Fee Share Issue”</b> | the allotment and issue of the AHG Work Fee Shares pursuant to the AHG Work Fee Letter  |
| <b>“Board”</b>                    | board of directors of the Company   |



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| <b>“Companies Ordinance”</b> | the Companies Ordinance (Chapter 622 of the Laws of the Hong Kong), as amended from time to time   |
| <b>“Company” or “Kaisa”</b>  | Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司*), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01638)   |
| <b>“connected person”</b>    | has the meaning given to it in the Listing Rules   |
| <b>“Director(s)”</b>         | the director(s) of the Company   |
| <b>“EGM”</b>                 | the extraordinary general meeting of the Company to be convened and held at Conference Room A, Office 1101-1102, 11/F, Euro Trade Centre, Nos 13-14 Connaught Road Central, Central, Hong Kong on Wednesday, 18 December 2024 at 11:00 a.m., or any adjournment thereof, for the Shareholders to consider and, if thought fit, to approve by way of poll, the MCB Issue (including the grant of the Specific Mandate for the allotment and issue of the MCB Conversion Shares) and the AHG Work Fee Share Issue (including the grant of the Specific Mandate for the allotment and issue of the AHG Work Fee Shares) |
| <b>“Existing Loans”</b>      | has the meaning given to it in the section headed <b>“8. INFORMATION ON THE IN-SCOPE DEBT”</b> in this announcement  |
| <b>“Existing Notes”</b>      | has the meaning given to it in the section headed <b>“8. INFORMATION ON THE IN-SCOPE DEBT”</b> in this announcement  |
| <b>“Existing Securities”</b> | has the meaning given to it in the section headed <b>“8. INFORMATION ON THE IN-SCOPE DEBT”</b> in this announcement  |
| <b>“Group”</b>               | the Company and its subsidiaries   |
| <b>“HK\$”</b>                | Hong Kong dollar, the lawful currency of Hong Kong   |
| <b>“Hong Kong”</b>           | the Hong Kong Special Administrative Region of the People’s Republic of China  |

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| <b>“Hong Kong Proceeding”</b>                       | the winding-up petition, presented by the trustee of certain Existing Securities acting on the directions of certain members of the Ad Hoc Group, against the Company before the High Court of Hong Kong with the case number HCCW 295 of 2023   |
| <b>“Information Agent”</b>                          | Kroll Issuer Services Limited, or any other person appointed to act as information agent in connection with the Restructuring and the RSA  |
| <b>“In-Scope Debt” or<br/>“Kaisa In-Scope Debt”</b> | has the meaning given to it in the section headed <b>“8. INFORMATION ON THE IN-SCOPE DEBT”</b> in this announcement  |
| <b>“Kaisa Reference Date”</b>                       | 31 December 2023   |
| <b>“Kaisa Schemes”</b>                              | the schemes of arrangement proposed by the Company to be effected pursuant to section 673 of the Companies Ordinance and pursuant to section 86 of the Cayman Companies Act, for the purpose of implementing the Restructuring as contemplated under the RSA and the relevant Term Sheet   |
| <b>“Kaisa Scheme Creditor(s)”</b>                   | the person(s) holding beneficial interest (or, with respect to the Existing Loans, a lender and/or finance party under the relevant loan, facility or other agreements) as principal in the Kaisa In-Scope Debt as at the Kaisa Scheme Record Time   |
| <b>“Kaisa Scheme Creditor’s Entitlement”</b>        | for the purpose of distribution of the Restructuring Consideration for each Kaisa Scheme Creditor, the value of each “Kaisa Scheme Creditor’s Entitlement” shall be the sum of: <ol style="list-style-type: none"> <li>(1) the outstanding principal amount of the Kaisa In-Scope Debt held by such Kaisa Scheme Creditor at the Kaisa Scheme Record Time; and</li> <li>(2) 50% of all accrued and unpaid interest (but excluding any default interest and other fees and charges) on such Kaisa In-Scope Debt up to (but excluding) the Kaisa Reference Date</li> </ol> |
| <b>“Kaisa Scheme Record Time”</b>                   | the time designated by Kaisa for the determination of the claims of the Kaisa Scheme Creditors for the purpose of voting at the Scheme Meeting(s)  |



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| <b>“Listing Rules”</b>                    | the Rules Governing the Listing of Securities on the Stock Exchange  |
| <b>“Longstop Date”</b>                    | 31 March 2025 or such later date as may be extended in accordance with the terms of the RSA  |
| <b>“Majority Participating Creditors”</b> | at any time, Participating Creditors who hold (beneficially, as principal) an aggregate outstanding principal amount of more than 50% of the outstanding principal amount of the In-Scope Debt held in aggregate by all Participating Creditors at that time |
| <b>“MCB Conversion Price”</b>             | the conversion price per Share (subject to adjustments) in respect of the MCBs   |
| <b>“MCB Conversion Shares”</b>            | the Shares to be allotted and issued upon conversion of the MCBs   |
| <b>“MCB Issue”</b>                        | the issue of the MCBs in the Restructuring   |
| <b>“MCBs”</b>                             | eight tranches of new zero-coupon mandatory convertible bonds of the Company which may be issued to the Scheme Creditors as part of the Restructuring Consideration, details of which are set out in this announcement                                       |
| <b>“Minimum AHG Threshold”</b>            | at least 25% of the outstanding principal amount of the Existing Securities held by members of the Ad Hoc Group who are also Participating Creditors   |
| <b>“New Notes”</b>                        | six tranches of new US\$ denominated senior notes of the Company which may be issued to the Scheme Creditors as part of the Restructuring Consideration, details of which are set out in the Term Sheets   |
| <b>“Obligors”</b>                         | collectively, the Company and the Subsidiary Guarantors; and “Obligor” means any one of them   |
| <b>“Participating Creditor”</b>           | a participating creditor under the RSA   |
| <b>“Possible Transactions”</b>            | the possible transactions in connection with the Restructuring involving, among others, the MCB Issue and the AHG Work Fee Share Issue   |
| <b>“Regulation S”</b>                     | Regulation S under the Securities Act  |

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| <b>“Restructuring”</b>                | the restructuring of the indebtedness and other obligations of the Obligors in respect of the In-Scope Debt, to be conducted materially in the manner envisaged by, and materially on the terms set out in, the Term Sheets   |
| <b>“Restructuring Consideration”</b>  | the restructuring consideration to be distributed to the relevant Scheme Creditors on the Restructuring Effective Date in exchange for the full release and discharge of the relevant claims against the Obligors and other relevant persons under or in connection with the relevant In-Scope Debt |
| <b>“Restructuring Effective Date”</b> | the day on which the Company and Rui Jing confirms in writing to the Participating Creditors that all the conditions precedent to the Restructuring have been satisfied or waived (as the case may be), including the obtaining of all relevant approvals or consents                               |
| <b>“RSA”</b>                          | the restructuring support agreement dated 20 August 2024 entered into by the Company, Rui Jing, initial Participating Creditors and the Information Agent   |
| <b>“Rui Jing”</b>                     | Rui Jing Investment Company Limited (瑞景投資有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company   |
| <b>“Rui Jing In-Scope Debt”</b>       | has the meaning given to it in the section headed <b>“8. INFORMATION ON THE IN-SCOPE DEBT”</b> in this announcement   |
| <b>“Rui Jing Schemes”</b>             | the schemes of arrangement proposed by Rui Jing to be effected pursuant to section 179A of the BVI Business Companies Act and pursuant to section 673 of the Companies Ordinance for the purpose of implementing the Restructuring as contemplated under the RSA and the relevant Term Sheet        |
| <b>“Rui Jing Scheme Creditor(s)”</b>  | the person(s) holding beneficial interest (or, with respect to the relevant loans, a lender and/or finance party under the relevant loan, facility or other agreements) as principal in the Rui Jing In-Scope Debt as at the Rui Jing Scheme Record Time  |

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| <b>“Rui Jing Scheme Creditor’s Entitlement”</b> | for the purpose of distribution of the Restructuring Consideration for each Rui Jing Scheme Creditor, the value of each “Rui Jing Scheme Creditor’s Entitlement” shall be the sum of: <ul style="list-style-type: none"> <li>(1) the outstanding principal amount of the Rui Jing In-Scope Debt held by such Rui Jing Scheme Creditor at the Rui Jing Scheme Record Time; and</li> <li>(2) 50% of all accrued and unpaid interest (but excluding any default interest and other fees and charges) on such Rui Jing In-Scope Debt up to (but excluding) the Kaisa Reference Date</li> </ul> |
| <b>“Rui Jing Scheme Record Time”</b>            | the time designated by Rui Jing for the determination of the claims of the Rui Jing Scheme Creditors for the purpose of voting at the Scheme Meeting(s)  |
| <b>“Scheme Creditors”</b>                       | collectively, the Kaisa Scheme Creditors and the Rui Jing Scheme Creditors   |
| <b>“Scheme Meeting”</b>                         | any meeting of Scheme Creditors convened by order of the relevant courts in connection with the Scheme(s) (including any adjournment of such meeting)  |
| <b>“Schemes”</b>                                | collectively the Kaisa Schemes and the Rui Jing Schemes  |
| <b>“Securities Act”</b>                         | the U.S. Securities Act of 1933  |
| <b>“SFO”</b>                                    | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| <b>“SGX”</b>                                    | The Singapore Exchange Securities Trading Limited  |
| <b>“Share(s)”</b>                               | shares(s) of the Company   |
| <b>“Shareholder(s)”</b>                         | shareholder(s) of the Company  |
| <b>“Specific Mandate”</b>                       | the specific mandate to be granted by the Shareholders at the EGM to allot and issue the MCB Conversion Shares and the AHG Work Fee Shares   |
| <b>“Stock Exchange”</b>                         | The Stock Exchange of Hong Kong Limited  |

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| <b>“Subsidiary Guarantors”</b> | collectively, the relevant subsidiaries of the Company which are subsidiary guarantors under the Existing Notes   |
| <b>“Takeovers Code”</b>        | the Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time |
| <b>“Term Sheets”</b>           | the term sheets as set out in Schedule 6 to the RSA, a redacted copy of which is attached as Appendix A and Appendix B to the announcement of the Company dated 20 August 2024          |
| <b>“US\$” or “USD”</b>         | United States dollar, the lawful currency of the United States of America   |
| <b>“%”</b>                     | per cent  |

*For the purpose of this announcement, unless otherwise indicated, the exchange rate at US\$1 = RMB7.1268 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged.*

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

Hong Kong, 29 November 2024

*As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Mai Fan, Mr. Li Haiming, Mr. Kwok Hiu Kwan, Ms. Luo Tingting, Mr. Song Wei and Mr. Liu Lihao; and the independent non-executive directors are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Liu Xuesheng.*

\* *For identification purposes only*