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CHINESE ESTATES HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock Code: 127)

DISCLOSEABLE TRANSACTION

SUBSCRIPTION OF NEW NOTES

THE SUBSCRIPTION

The Board is pleased to announce that on 28 April 2021, the Subscriber received confirmations that the New Notes in the principal amount of US\$150,000,000 (equivalent to approximately HK\$1,166,355,000) was allocated to the order placed by the Subscriber for subscription at the issue price of 100% of the principal amount thereof, the closing date of which is expected to fall on 11 May 2021.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of (i) the Subscription on a stand-alone basis; and (ii) the Subscription, when aggregated with the Previous Subscription, exceed(s) 5% but is less than 25%, it constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

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The Subscription is part of the concurrent offering of the New Notes by the Issuer that will form a single series with the corresponding New Notes to be issued as part of the exchange consideration under the exchange and tender offer made by the Issuer in respect of the outstanding 9.375% senior notes due 2024 issued by the Issuer as disclosed in its announcements dated 27 April 2021 and 28 April 2021. As at the date of this announcement, the Group is a holder of the 9.375% senior notes due 2024 issued by the Issuer with an aggregate principal amount of US\$75,000,000 (equivalent to approximately HK\$583,177,500).

PRINCIPAL TERMS OF THE SUBSCRIPTION AND THE NEW NOTES

Issuer	:	Kaisa Group Holdings Ltd.
New Notes	:	US\$500,000,000 11.7% senior notes due 2025
Issue Date	:	Expected to fall on 11 May 2021
Total Issue Size	:	US\$500,000,000
Total Amount of Subscription	:	US\$150,000,000
Issue Price	:	100% of the principal amount of the New Notes
Interest	:	11.7% per annum from and including 11 May 2021, payable semi-annually in arrears on 11 May and 11 November each year, commencing 11 November 2021
Maturity Date	:	11 November 2025
Ranking of the New Notes	:	The New Notes are (a) general obligations of the Issuer; (b) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the New Notes; (c) at least <i>pari passu</i> in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (d) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations; (e) effectively subordinated to the secured obligations of the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, to the extent of the value of the assets serving as security therefor; and (f) effectively subordinated to all existing and future

obligations of the subsidiaries of the Issuer which are not Subsidiary Guarantors or JV Subsidiary Guarantors.

Guarantees and Collateral : Each of the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, will jointly and severally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under the New Notes.

In addition, the New Notes are secured by a pledge of collateral comprising the capital stock of the initial Subsidiary Guarantors (being the Subsidiary Guarantors as at the date of the Indenture) (the "**Collateral**") owned by the Issuer and the initial Subsidiary Guarantor pledgors and are entitled to a lien on the Collateral and rank effectively senior in right of payment to unsecured obligations of the Issuer with respect to the value of the Collateral.

Redemption : Redemption for Taxation Reasons

The New Notes may be redeemed, at the option of the Issuer, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption if the Issuer or any Subsidiary Guarantor or JV Subsidiary Guarantor would become obligated to pay certain additional amounts of tax as a result of any changes in applicable tax laws or the application or interpretation of such laws.

Optional Redemption

At any time and from time to time on or after 11 November 2023, the Issuer may at its option redeem the New Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the 12-month period commencing on 11 November of any year set forth below:

Period	Redemption Price
2023	104%
2024	102%

At any time prior to 11 November 2023, the Issuer may at its option redeem the New Notes, in whole but not in part, at a redemption price equal to 100% of principal amount of the New Notes, plus the applicable premium as of, and accrued and unpaid interest (if any) to, the redemption date.

In addition, at any time prior to 11 November 2023, the Issuer may redeem up to 35% of the aggregate principal amount of the New Notes with the net cash proceeds of one or more sales of common stock of the Issuer in an equity offering at a redemption price of 111.7% of the principal amount of the New Notes, plus accrued and unpaid interest (if any) to the redemption date; provided that at least 65% of the aggregate principal amount of the New Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

Repurchase of the New Notes upon a Change of Control : Not later than 30 days following a certain specified change of control triggering event of the Issuer, the Issuer will make an offer to purchase all the outstanding New Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of such repurchase.

Events of Default : Upon occurrence of certain specified events of default, the trustee under the Indenture at the request of, or, the holders of at least 25% of the outstanding New Notes, may declare the principal of the New Notes plus a premium, if any, and any accrued and unpaid interest to be immediately due and payable (other than an event of default due to insolvency of the Issuer or certain of its subsidiaries whereupon the principal of the New Notes, the premium, if any, and any accrued and unpaid interest shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee under the Indenture or any holder of the New Notes).

Listing : The Issuer will apply for the listing and quotation of the New Notes on the SGX-ST.

INFORMATION ON THE COMPANY, THE SUBSCRIBER AND THE ISSUER

The Company is a company incorporated in Bermuda with limited liability and, together with its subsidiaries, are principally engaged in property investment and development, building and property management, brokerage, securities investment, money lending and cosmetics distribution and trading.

The Subscriber is a company incorporated in BVI with limited liability and is principally engaged in securities investment. As at the date of this announcement, the Subscriber is an indirect wholly-owned subsidiary of the Company.

To the best of the Directors' knowledge and information, (i) the Issuer is a company incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange, and the Issuer together with its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department store and cultural centre operations, water-way

passenger and cargo transportation in the PRC; and (ii) each of the Issuer and its ultimate beneficial owners is an Independent Third Party.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company intends to subscribe for the New Notes for investment purpose which forms part of the securities investment activities within the ordinary and usual course of business of the Group. The Board considers that the Subscription, taking into account the interest rate of the New Notes and the prevailing market price of debt instruments, will provide the Group with an opportunity to enhance investment income during the prevailing low-interest environment and therefore, the Board considers that the terms of the Subscription and those of the New Notes are fair and reasonable and are on normal commercial terms and the Subscription is in the interests of the Company and the Shareholders as a whole. The Group intends to fund the Subscription by its internal resources and/or borrowings.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of (i) the Subscription on a stand-alone basis; and (ii) the Subscription, when aggregated with the Previous Subscription, exceed(s) 5% but is less than 25%, it constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	Chinese Estates Holdings Limited (Stock Code: 127), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;

“Indenture”	an indenture to be dated as of the Issue Date and to be entered into among the Issuer, the initial Subsidiary Guarantors named in the Indenture, as guarantors, and the trustee, setting forth the terms and conditions of the New Notes;
“Independent Third Party”	a person or a company which is a third party independent of the Company and its connected person(s) (as defined under the Listing Rules);
“Issue Date”	the date on which the New Notes will be issued, and is expected to fall on 11 May 2021;
“Issuer”	Kaisa Group Holdings Ltd. (Stock Code: 1638), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“JV Subsidiary Guarantor(s)”	certain subsidiaries of the Issuer (other than the Subsidiary Guarantors) which will provide guarantees on the New Notes;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Notes”	US\$500,000,000 11.7% senior notes due 2025 to be issued by the Issuer;
“PRC”	the People's Republic of China, and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region and Taiwan;
“Previous Subscription”	the subscription of the senior perpetual capital securities in the aggregate principal amount of US\$30,000,000 by the Group completed on 30 September 2020 on terms and conditions as set out in the offering circular of the Issuer dated 23 September 2020;
“SGX-ST”	the Singapore Exchange Securities Trading Limited;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriber”	Rapid Fix Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the New Notes in the principal amount of US\$150,000,000 by the Subscriber;
“Subsidiary Guarantor(s)”	certain subsidiaries of the Issuer which will provide guarantees on the New Notes;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

For the purpose of this announcement, the conversion of US\$ into HK\$ is based on the exchange rate of US\$1 to HK\$7.7757 for illustration purpose only.

By order of the Board
Lam, Kwong-wai
Executive Director and Company Secretary

Hong Kong, 28 April 2021

As at the date of this announcement, the Board comprised Ms. Chan, Hoi-wan, Ms. Chan, Lok-wan and Mr. Lam, Kwong-wai as Executive Directors, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors, and Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun as Independent Non-executive Directors.

Website: <http://www.chineseestates.com>