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Kaisa CEO leaves, hopes of near-term rescue deal dashed
(Corrects timing of S&P downgrade in last para)

* CEO resignation comes after string of executive departures

* Asset sales announced on Sunday to inject $380 mln into Kaisa

* Kaisa's offshore bonds surrender some gains

By Umesh Desai

HONG KONG, Feb 2 (Reuters) - China's Kaisa Group said on Monday that its chief executive officer has resigned - a further blow to the embattled property developer despite having sold some assets at the weekend to ease its short-term cash worries.

The company said Jin Zhigang had quit "to devote more time to his personal career development" and would continue as executive director. It added that there had been no disagreement with the board.

Kaisa's bond prices fell after the announcement, with investors disappointed that Sunday's news of 2.37 billion yuan ($380 million) of asset sales in Shanghai was not the full-blown rescue deal they had been hoping for.

It was not immediately clear who would be replacing Jin, who had been at the helm since 2012. Company officials were not available for comment about his successor.

Kaisa, a homebuilder based in the southern Chinese city of Shenzhen, is struggling to meet its debt obligations following the abrupt departure of a string of senior executives and a local government block on its property sales.

Bondholders are worried it may become the first Chinese homebuilder to default on its foreign bonds.

Kaisa said on Sunday that Sunac China Holdings would buy two of its units in Shanghai and acquire majority stakes in two others.

"The most immediate concern for offshore bondholders is whether Sunac's involvement would be limited to the purchase of these properties," said Dilip Parameswaran, chief executive at Asia Credit Advisors.

"If that is the case, the purchase consideration is likely to be claimed first by onshore lenders, leaving little benefit for offshore lenders."

At least 28 court filings requesting an asset freeze were made by onshore creditors against Kaisa and its subsidiaries between Jan. 6 and Jan. 9 in Shenzhen, according to records in the city's Intermediate People's Court, involving 17 financial institutions.

RESCUE HOPES

Kaisa's bonds plunged in December after Shenzhen sales were blocked but they had started to recover on rising hopes of a white knight rescue deal.

However on Monday its bonds due 2020, on which the company missed a coupon payment deadline last month, were down 11 points at 61/66 from their overnight levels.

Investors are mindful that the projects sold at the weekend are in Shanghai, while Kaisa's problematic projects that are subject to sales blocks are in Shenzhen.

However some analysts said Sunday's deal could be the first step in a series of transactions between Kaisa and Sunac.

"Yesterday's transaction could provide Kaisa with the funds required to hold off default, giving Sunac further time to structure a more comprehensive deal," said Mark Reade of Mizuho Securities.

Last week, financial news magazine Caixin said Sunac China had agreed to buy a 49.3 percent stake in Kaisa, citing an unidentified senior company executive.

Possible political problems are also adding to the slow progress on resolving Kaisa's problems, with the reason for the sales blocks in Shenzhen still unclear.

Last week local officials said the government "needs some time to resolve this incident" as the case is linked to China's crackdown on corruption, according to local Chinese media reports.

At their lows, Kaisa's bonds had lost as much as two-thirds of their value, since the decline started in early December. Shares halved in a one-month plunge before trading was suspended in December.

Kaisa is in a 30-day grace period after it missed the January 8 due date for a $26 million coupon payment on its bonds. Just before the payment deadline, Standard & Poor's inflicted a seven-notch downgrade on Kaisa, taking it down to SD or selective default. ($1 = 6.2585 Chinese yuan renminbi) (Additional reporting by Donny Kwok and Clare Jim; Editing byEdwina Gibbs and Rachel Armstrong)