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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)

SCRIP DIVIDEND ARRANGEMENT IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2017

INTRODUCTION

On 27 March 2018, it was announced that, among other things, the board of directors (the “**Board**”) of Kaisa Group Holdings Ltd. (the “**Company**”) recommended the payment of a final dividend of HK11.8 cents (the “**2017 Final Dividend**”) per share of the Company (the “**Share**”) for the year ended 31 December 2017 to the shareholders of the Company (the “**Shareholder(s)**”).

At the 2017 annual general meeting of the Company held on 11 June 2018, the Shareholders approved the 2017 Final Dividend.

The 2017 Final Dividend will be paid to Shareholders whose names appear on the registers of members of the Company (the “**Registers of Members**”) as at the close of business on 22 June 2018 (the “**Record Date**”).

PARTICULARS OF THE SCRIP DIVIDEND ARRANGEMENT

Under the scrip dividend arrangement (the “**Scrip Dividend Arrangement**”), each Shareholder whose names appear on the Register of Members on the Record Date has the choice of receiving:

- (a) a cash dividend of HK11.8 cents for each Share held on the Record Date; or
- (b) a scrip dividend of new shares (the “**Scrip Shares**”) at the Issue Price (as defined in the paragraph headed “**BASIS OF ALLOTMENT OF THE SCRIP SHARES**” below), subject to any fractional entitlement being disregarded as mentioned below; or
- (c) a combination of partly in (a) and partly in (b) above.

The Scrip Shares issued in respect of the 2017 Final Dividend will, when issued, rank pari passu in all respects with the existing issued Shares of the Company except that such Scrip Shares themselves will not be entitled to the 2017 Final Dividend.

Based on 6,068,492,329 Shares in issue as at the Record Date, if no elections for the Scrip Shares were received, the total cash dividend payable by the Company in respect of the 2017 Final Dividend would be approximately HK\$716 million. If all Shareholders elect to receive their entitlement in the form of Scrip Shares, the maximum number of Scrip Shares to be issued would be 191,799,141 Shares, representing approximately 3.16% of the existing issued share capital of the Company and approximately 3.06% of the issued share capital of the Company as enlarged by the issue of the Scrip Shares.

BASIS OF ALLOTMENT OF THE SCRIP SHARES

For the purpose of calculating the number of Scrip Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Arrangement, the issue price of the Scrip Shares (the “**Issue Price**”) is the average closing price of the Shares quoted on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days up to and including the Record Date, less a 5% discount. Accordingly, the number of Scrip Shares which each Shareholder will receive under the Scrip Dividend Arrangement will be calculated as follows:

$$\begin{array}{l} \text{Number of Scrip Shares to be} \\ \text{received (round } \textit{down} \text{ to the} \\ \text{nearest whole number)} \end{array} = \begin{array}{l} \text{Number of existing Shares} \\ \text{held on the Record Date for} \\ \text{which the election for Scrip} \\ \text{Shares is made} \end{array} \times \frac{\text{HK\$0.118}}{\text{HK\$3.93} \times \frac{95}{100}}$$

The number of Scrip Shares to be received by each Shareholder pursuant to his/her election will be rounded down to the nearest whole number. No Shareholder will be entitled to be issued any fraction of a Share under the Scrip Dividend Arrangement.

If Shareholders elect to receive the maximum number of Scrip Shares in lieu of their cash dividend, a residual dividend entitlement may arise, representing the difference between the total cash equivalent of the Scrip Shares based on the Issue Price to be issued to them and the maximum dividend available in respect of their shareholdings. Fractional entitlements to Scrip Shares will be disregarded and the benefit thereof will accrue to the Company.

Scrip Shares issued to a Shareholder pursuant to an election to receive some or all of his/her 2017 Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

GENERAL

Further details of the Scrip Dividend Arrangement are set out in a circular (the “**Circular**”) which will be sent to the Shareholders on 20 July 2018, together with an election form (if appropriate) (the “**Election Form**”).

Shareholders who wish to elect to receive the whole of the 2017 Final Dividend in Scrip Shares, or partly in cash and partly in Scrip Shares, must COMPLETE, SIGN and RETURN the Election Form to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the “Share Registrar”) of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 6 August 2018.

As at the Record Date, there were three Shareholders registered address located in the British Virgin Islands (the “BVI”) as appeared on the register of members of the Company (the “Overseas Shareholders”). The Directors have been advised by the local counsel that there are no restrictions or requirements on extending the Scrip Dividend Arrangement to the Overseas Shareholders. Accordingly, the Scrip Dividend Arrangement will be extended to the Overseas Shareholders.

LISTING

Application will be made to the Listing Committee of the Stock Exchange for the grant of listing of, and permission to deal in, the Scrip Shares. Subject to the approval being granted by the Stock Exchange, it is expected that cheques for cash entitlements and/or share certificates for Scrip Shares will be despatched to the Shareholders by ordinary mail at their own risk on 23 August 2018.

Dealings in the Scrip Shares on the Stock Exchange are expected to commence at 9:00 a.m. on 24 August 2018.

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

Hong Kong, 19 July 2018

As at the date of this announcement, the executive Directors are Mr. Kwok Ying Shing, Mr. Sun Yuenan, Mr. Zhang Jianjun, Mr. Zheng Yi and Mr. Mai Fan; the non-executive Director is Ms. Chen Shaohuan; and the independent non-executive Directors are Mr. Zhang Yizhao, Mr. Rao Yong and Mr. Liu Xuesheng.

* *For identification purposes only*