

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kaisa Group Holdings Ltd. 佳兆業集團控股有限公司*, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**REFRESHMENT OF SHARE OPTION SCHEME LIMIT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice of the EGM to be held at Small Connaught Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Monday, 31 March 2014 at 11:30 a.m., or immediately after the conclusion of the annual general meeting of the Company, is set out on pages 7 to 8 of this circular. A form of proxy for use by the Shareholders at the EGM is enclosed with this circular.

Whether or not you intend to attend and vote at the EGM in person, please complete the form of proxy enclosed in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Service Limited, of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event no later than 48 hours before the time appointed for holding the EGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

* For identification purposes only

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Board”	the board of Directors;
“Company”	Kaisa Group Holdings Ltd. (佳兆業集團控股有限公司*), an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the main board of the Stock Exchange;
“Date of Adoption”	22 November 2009, being the date on which the Share Option Scheme was adopted by the Company;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Small Connaught Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Monday, 31 March 2014 at 11:30 a.m., or immediately after the conclusion of the annual general meeting of the Company, on Monday, 31 March 2014 at 10:30 a.m.;
“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;
“Latest Practicable Date”	7 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notice”	the notice convening the EGM;
“PRC”	the People’s Republic of China, except where the context otherwise requires and only for the purpose of this circular, excluding Hong Kong, the Special Administrative Region of Macau and Taiwan;
“Share(s)”	ordinary share(s) with a par value of HK\$0.1 each in the share capital of the Company;

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DEFINITIONS

“Shareholder(s)”	the holder(s) of the Share(s);
“Share Option(s)”	any share option(s) granted or to be granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on the Date of Adoption;
“Share Option Scheme Limit”	the maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not in aggregate exceed 10% of the issued share capital of the Company as at the Date of Adoption and thereafter, if refreshed, shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshed limit by the Shareholders;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.



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)

Executive Directors:

Mr. Kwok Ying Shing (*Chairman*)
Mr. Kwok Ying Chi
Mr. Sun Yuenan
Dr. Tam Lai Ling
Mr. Chen Gengxian
Mr. Jin Zhigang

Non-executive Director:

Ms. Chen Shaohuan

Independent non-executive Directors:

Mr. Rao Yong
Mr. Zhang Yizhao
Mr. Fok Hei Yu

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

Suite 2001, 20th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

14 March 2014

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF SHARE OPTION SCHEME LIMIT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding a resolution to be proposed at the EGM to be held at Small Connaught Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Monday, 31 March 2014 at 11:30 a.m., or immediately after the conclusion of the annual general meeting of the Company, on Monday, 31 March 2014 at the Small Connaught Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong, which upon approval, would enable the Company to refresh the Share Option Scheme Limit.

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LETTER FROM THE BOARD

REFRESHMENT OF THE SHARE OPTION SCHEME LIMIT

The Company adopted the Share Option Scheme pursuant to an ordinary resolution passed at the annual general meeting of the Company held on the Date of Adoption. The Share Option Scheme will remain in force for a period of 10 years from the Date of Adoption.

Pursuant to the terms of the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the maximum number of Shares which may be issued upon the exercise of all the options to be granted under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 500,000,000 Shares, being 10% of the Shares in issue as at the Date of Adoption. The 10% limit has not been previously refreshed since the Date of Adoption.

As at the Latest Practicable Date,

- (a) there were, in aggregate, 4,963,105,000 Shares in issue; and
- (b) the Company has granted a total of 420,432,000 Share Options since the Date of Adoption, out of which 122,108,000 Share Options have lapsed and subsequently re-granted, 58,435,000 Share Options have been exercised, leaving an outstanding balance of 361,997,000 Share Options, representing approximately 7.29% of the Shares in issue as at the Latest Practicable Date. Save for the 122,108,000 Share Options which have lapsed and subsequently re-granted and the 58,435,000 Share Options which have been exercised, none of the Share Options so far granted have been exercised, cancelled and/or lapsed.

Unless the Share Option Scheme Limit is refreshed, the Company may only grant 79,568,000 Shares Options pursuant to the Share Option Scheme, representing approximately 1.60% of the Shares in issue as at the Latest Practicable Date. As a result, the Company had utilised substantial part of the existing Share Option Scheme Limit.

If the refreshment of the Share Option Scheme Limit is approved by the Shareholders at the EGM, based on 4,963,105,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued by the Company from the Latest Practicable Date up to and including the date of the EGM, the Company will be allowed to grant further options under the Share Option Scheme of up to a total of 496,310,500 Share Options, representing 10% of the Shares in issue as at the date of passing the resolution (i.e. the date of the EGM). Share Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other schemes of the Company) will not be counted for the purpose of calculating the Share Option Scheme Limit as “refreshed”. As at the Latest Practicable Date, apart from the Share Option Scheme, the Company had no other share option scheme currently in force.

LETTER FROM THE BOARD

Pursuant to the terms of the Share Option Scheme and in accordance with the relevant provisions of Chapter 17 of the Listing Rules, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company at any time must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if it will result in the aforesaid 30% limit being exceeded. As mentioned in the above paragraph, the Share Option Scheme Limit so refreshed is 496,310,500 which, together with the outstanding options with rights to subscribe for 361,997,000 Shares since the Date of Adoption, represent approximately 17.29% of the issued share capital of the Company as at the Latest Practicable Date and accordingly, does not exceed the 30% limit as at the Latest Practicable Date.

The Directors consider that the Company should refresh the Share Option Scheme Limit so that the Company could have more flexibility to provide incentives to the eligible participants of the Share Option Scheme by way of granting share options to them to strive for the future development and success of the Group.

The Directors further consider that the refreshment of the Share Option Scheme Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward appropriately and motivate the eligible participants under the Share Option Scheme.

At the EGM, an ordinary resolution will be proposed to the Shareholders to approve the proposed refreshment of the Share Option Scheme Limit so as to allow the Company to grant further options under the Share Option Scheme for subscription of up to a total of 496,310,500 additional Shares, representing 10% of the Shares in issue as at the date of passing the resolution.

The refreshment of the Share Option Scheme Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Share Option Scheme Limit by the Shareholders at the EGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Share Options that may be granted under the refreshed Share Option Scheme Limit up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution (i.e. the date of the EGM).

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Share Options that may be granted under the refreshed Share Option Scheme Limit (i.e. up to 10% of the Shares in issue as at the date of passing the relevant ordinary resolution).

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

The following are the details of the EGM:

Date: Monday, 31 March 2014

Time: 11:30 a.m. or immediately after the conclusion of the annual general meeting of the Company

Venue: Small Connaught Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong

The Notice is set out on pages 7 to 8 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as practicable and in any event not less than 48 hours before the time appointed for holding the EGM. The return of a form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so desire. The voting in respect of the proposed resolution contained in the Notice will be conducted by way of a poll at the EGM prescribed under the Listing Rules. An announcement on the poll results will be made by the Company after the EGM.

RECOMMENDATION

The Directors consider that the resolution proposed in relation to the Refreshment of Share Option Scheme Limit in this circular is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favour of such resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief and information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
KAISA GROUP HOLDINGS LTD.
Mr. Kwok Ying Shing
Chairman & Executive Director



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)

NOTICE IS HEREBY GIVEN THAT that the extraordinary general meeting of KAISA GROUP HOLDINGS LTD. (the “**Company**”) will be held at Small Connaught Room, 1/F, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Monday, 31 March 2014 at 11:30 a.m., or immediately after the conclusion of the annual general meeting of the Company, for the purposes of considering and, if thought fit, passing the following resolution (with or without modifications):

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the additional shares of HK\$0.1 each in the capital of the Company (the “**Shares**”) to be issued pursuant to the exercise of options which may be granted under the share option scheme adopted by the Company on 22 November 2009 (the “**Share Option Scheme**”), the refreshment of the general limit in respect of the grant of options to subscribe for Shares under the Share Option Scheme be and is hereby approved provided that:
 - (a) the total number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the total number of Shares in issue as at the date of passing this resolution (the “**Refreshed Limit**”);
 - (b) options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme) will not be counted for the purpose of calculating the Refreshed Limit;
 - (c) the Directors be and are hereby unconditionally authorised to offer or grant options pursuant to the Share Option Scheme to subscribe for Shares up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares upon the exercise of such options; and

* For identification purposes only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) such increase in the Refreshed Limit shall in no event result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company exceed 30% of the Shares in issue from time to time."

Yours faithfully,
By order of the Board
KAISA GROUP HOLDINGS LTD.
Mr. Kwok Ying Shing
Chairman & Executive Director

Hong Kong, 14 March 2014

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Suite 2001, 20th Floor
Two International Finance Centre
8 Finance Street
Central
Hong Kong

As at the date of this notice, the executive Directors are Mr. Kwok Ying Shing, Mr. Kwok Ying Chi, Mr. Sun Yuenan, Dr. Tam Lai Ling, Mr. Chen Gengxian and Mr. Jin Zhigang; the non-executive Director is Ms. Chen Shaohuan; the independent non-executive Directors are Mr. Rao Yong, Mr. Zhang Yizhao and Mr. Fok Hei Yu.

Notes:

- (1) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on behalf of him. A proxy need not be a shareholder of the Company.
- (2) A form of proxy for the EGM is enclosed. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any), under which the form is signed must be deposited at the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting.
- (3) Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if the shareholders of the Company so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
- (4) The register of members of the Company will be closed from Wednesday, 26 March 2014 to Monday, 31 March 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the EGM, all transfers of shares, accompanied by the relevant share certificates and appropriate transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 25 March 2014.