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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

INSIDE INFORMATION

This announcement is made by China Evergrande Group (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Evergrande Group (Nanchang) Co., Ltd. (a subsidiary of the Company) (the “**Subsidiary**”) received an arbitration ruling dated 25 July 2022. The Subsidiary was the respondent to the arbitration.

In July 2021, the applicant to the arbitration provided guarantee for the borrowings of certain entities controlled by the Group. The Subsidiary provided counter-guarantees to the applicant in the form of pledge (the “**Pledge**”) of a total of 1,281,855,435 shares that it held in Shengjing Bank Co., Ltd. (the “**Shares**”). As the borrowers failed to repay the loans, the applicant carried out its obligations under the guarantee and claimed against the Subsidiary under the Pledge.

The arbitration ruling is that the applicant has the priority to receive compensation from the sale of the Shares, and the scope of the priority covers the amount paid by the applicant (RMB7,306,575,979.50) for discharging its obligations under the guarantee, the capital occupation fee on such amount and other expenses incurred by the applicant in connection with the exercise of its right of recovery.

Holders of the Company’s securities and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
China Evergrande Group
Hui Ka Yan
Chairman

Hong Kong, 31 July 2022

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Siu Shawn, Mr. Shi Junping, Mr. Liu Zhen and Mr. Qian Cheng, the non-executive director is Mr. Liang Senlin and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.