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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**”) 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.

The Company has received the enforcement notice issued by the Guangzhou Intermediate People’s Court of Guangdong Province (the “**Enforcement Notice**”) in relation to the arbitral award of the Shenzhen Court of International Arbitration (the “**Arbitral Award**”). The Company and a subsidiary, namely Guangzhou Kailong Real Estate Company Limited\* (廣州市凱隆置業有限公司) (“**Guangzhou Kailong**”), and Mr. Hui Ka Yan (“**Mr. Hui**”), the controlling shareholder and an executive director of the Company, are the parties subject to enforcement under the Enforcement Notice.

The Arbitral Award involves the agreements entered into by Hexin Hengju (Shenzhen) Investment Holding Center (Limited Partnership)\* (和信恒聚(深圳)投資控股中心(有限合夥)) (the “**Claimant**”) and the relevant respondents during the period between December 2016 and November 2020 (the “**Capital Increase Agreement**”) in relation to the capital increase and other relevant matters of Hengda Real Estate Group Company Limited\* (恒大地產集團有限公司) (“**Hengda Real Estate**”), under which the Claimant injected RMB5 billion into Hengda Real Estate for the acquisition of approximately 1.6% equity interests in Hengda Real Estate. Hengda Real Estate terminated the restructuring plan of Shenzhen Special Economic Zone Real Estate (Group) Company Limited\* (深圳經濟特區房地產(集團)股份有限公司), and the Claimant requested the Company, Hengda Real Estate, Guangzhou Kailong and Mr. Hui to fulfil their repurchase obligation under the Capital Increase Agreement and pay the outstanding dividends, liquidated damages and proceeds.

The subject matters of the Enforcement Notice are: (1) Guangzhou Kailong and Mr. Hui shall pay the top up amount for the outstanding dividends from Hengda Real Estate for the year 2020 of approximately RMB204 million, and liquidated damages of approximately RMB51.53 million; (2) Mr. Hui and the Company shall repurchase the equity interests in Hengda Real Estate held by the Claimant for RMB5 billion; (3) the Company shall pay compensation to the Claimant for the equity interest it held in Hengda Real Estate from 1 February 2021 until completion of the repurchase, in the amount of approximately RMB770 million; and (4) the Company, Guangzhou Kailong and Mr. Hui shall pay legal fees, arbitration fees and enforcement fees of approximately RMB35.53 million.

**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, 12 May 2023

*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.*

\* *For identification purposes only*