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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of China Evergrande Group (the “**Company**”) hereby announces that the Company has granted share options (the “**Options**”) under its share option scheme adopted on 14 October 2009 to 7,994 senior and mid-level management personnel of the Group (the “**Grantees**”) which, subject to the acceptance of the Options by the Grantees, will enable the Grantees to subscribe for an aggregate of 743,570,000 new shares of US\$0.01 each (the “**Shares**”) in the share capital of the Company, representing approximately 5.7% of the issued share capital of the Company as at the date of this announcement.

The decision of the Board reflects the confidence of the Board and the management on the Company’s prospects for development. Through significantly expanding the scope of the grant of the Options, it will further motivate the management executives of the Group to take initiatives and proactively contribute to the Company’s continuous growth. The Board’s decision also aligns the interests of the shareholders, the Company and the management and it will allow management executives to share in the upside of the Company’s continuous growth.

A summary of the grant is set out below:

Date of grant	:	6 October 2017 (the “ Date of Grant ”)
Exercise price of the share options granted	:	HK\$30.20
Number of Options granted	:	743,570,000
Closing price of the Shares on the date of grant	:	HK\$30.20
Validity period of the Options	:	6 October 2017 to 5 October 2027 (the “ Option Period ”)

A total of 5,000,000 Options and 738,570,000 Options were granted to 5 directors and 7,989 management executives of the Group, respectively (excluding employees of the Group's other listed Companies: Evergrande Health Industry Group Limited (Stock Code: 708), HengTen Networks Group Limited (Stock Code: 136), and 嘉凱城集團(上海)有限公司 (Calxon Group (Shanghai) Co., Ltd.) (Stock Code: 000918)), of which are as follows:

Grantee	Position held in the Group	Number of Options Granted
Mr. Xia Haijun	executive director	600,000
Ms. He Miaoling	executive director	600,000
Mr. Shi Junping	executive director	500,000
Mr. Pan Darong	executive director	3,000,000
Mr. Huang Xiangui	executive director	<u>300,000</u>
Sub-total of Options granted to directors of the Company		<u><u>5,000,000</u></u>

	Range of Options granted to each Grantee	Number of Grantees	Total Number of Options granted
Vice presidents of the Group and business groups	3,000,000 to 5,000,000 ⁽¹⁾	16	60,000,000
	400,000 to 600,000 ⁽²⁾	44	24,700,000
General managers of business centers	200,000 to 400,000	109	32,400,000
Deputy general managers of business centers	150,000 to 250,000	885	171,750,000
Assistants to general manager of business centers	100,000 to 200,000	856	122,400,000
Departmental managers	80,000 to 120,000	872	85,170,000
Departmental deputy managers	50,000 to 70,000	1,841	109,250,000
Assistants to manager of departments	30,000 to 50,000	<u>3,366</u>	<u>132,900,000</u>
Sub-total of Options granted to other employees of the Company		<u><u>7,989</u></u>	<u><u>738,570,000</u></u>

(1) Those management executives of vice presidents and above (including executive directors) of the Group headquarters and business groups that have not been granted share options on 9 October 2014 were granted between 3,000,000 and 5,000,000 Options this time.

(2) Those management executives of vice presidents and above (including executive directors) of the Group headquarters and business groups that have been granted share options on 9 October 2014 were granted between 400,000 and 600,000 Options this time.

The independent non-executive directors of the Company have approved the grant of the above Options to the directors of the Group.

The Options will be valid from 6 October 2017 to 5 October 2027 (the “**Option Period**”) and will be exercisable in 5 tranches in the following manners:

- (i) the first tranche of 20% of the Shares that are the subject to the Option granted will be exercisable at any time during the period commencing from 6 October 2018 to 5 October 2023;
- (ii) the second tranche of 20% of the Shares that are the subject to the Options granted will be exercisable at any time during the period commencing from 6 October 2019 to 5 October 2024;
- (iii) the third tranche of 20% of the Shares that are the subject to the Options granted will be exercisable at any time during the period commencing from 6 October 2020 to 5 October 2025;
- (iv) the fourth tranche of 20% of the Shares that are the subject to the Options granted will be exercisable at any time during the period commencing from 6 October 2021 to 5 October 2026;
- (v) the fifth tranche of 20% of Shares that are subject to the Option granted will be exercisable at any time during the period commencing from 6 October 2022 to 5 October 2027.

Any options which are not exercisable during the Option Period will automatically lapse.

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

Hong Kong, 6 October 2017

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Shi Junping, Mr. Pan Darong and Mr. Huang Xiangui and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.