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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 Co., Ltd. (a subsidiary of the Company) (the “**Subsidiary**”) received the enforcement notices (the “**Notices**”) issued by the Shenyang City Intermediate People’s Court of Liaoning Province (遼寧省瀋陽市中級人民法院) (the “**Court**”). The Subsidiary was the defendant and Shengjing Bank Co., Ltd. was the plaintiff in this civil litigation.

The plaintiff provided funds amounting to a total of RMB32.595 billion to the Group during the period from 2020 to 2021. The Subsidiary pledged 30.99% equity interest (equivalent to registered capital of RMB1,602,434,059) (the “**Pledged Equity Interest**”) out of the 40.96% equity interest (equivalent to registered capital of RMB2,118,431,963) held by it in Xinjiang Guanghui Industry Investment Group Co., Ltd. (新疆廣匯實業投資(集團)有限責任公司) in favour of the plaintiff as security (the “**Pledge**”).

Since the plaintiff failed to recover the funds, it commenced legal proceedings in the Court.

According to the Notices, the Pledged Equity Interest under the Pledge has been enforced. The plaintiff may auction off or sell the Pledged Equity Interest and shall have priority in RMB32.595 billion of the proceeds (i.e. the amount as secured by the Pledge), and the Subsidiary shall bear the litigation costs and preservation fee (approximately RMB163 million).

As at the date of this announcement, the Pledged Equity Interest has not been auctioned off or sold. The Company will make further announcement as appropriate to inform its shareholders and potential investors of any material developments regarding the litigation.

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, 1 November 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.