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

If you have sold or transferred all your shares in China Evergrande Group, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

**PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME
AND
NOTICE OF EGM**

A notice convening the extraordinary general meeting to be held at Salon 1–3, JW Ballroom, 3/F., JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 3 October 2017 at 11:00 a.m. (the “EGM”) is set out on pages 7 to 8 of this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish.

15 September 2017

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
Introduction	3
Refreshment of Scheme Mandate Limit	4
EGM	5
Voting by Poll	6
Responsibility Statement	6
Recommendation	6
Notice of EGM	7

DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Company”	China Evergrande Group, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at Salon 1–3, JW Ballroom, 3/F., JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 3 October 2017 at 11:00 a.m. to approve the refreshment of the Scheme Mandate Limit;
“Group”	the Company and its subsidiaries;
“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”	14 September 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of the Company adopted on 14 October 2009;
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all the share options to be granted under the Share Option Scheme and such other schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of the approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders;
“Share(s)”	ordinary shares of US\$0.01 each in the share capital of the Company;

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted on 14 October 2009;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.



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Executive Directors:

Mr. Hui Ka Yan (Chairman)
Mr. Xia Haijun (Vice Chairman and President)
Ms. He Miaoling
Mr. Pan Darong
Mr. Huang Xiangui
Mr. Shi Junping

Independent non-executive Directors:

Mr. Chau Shing Yim, David
Mr. He Qi
Ms. Xie Hongxi

Registered Office:

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Hong Kong

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in the PRC:*

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No.78 Huangpu Avenue West
Guangzhou, Guangzhou Province
the PRC

*Principal place of business in
Hong Kong:*

Suites 1501–1507
One Pacific Place
88 Queensway, Hong Kong

15 September 2017

To Shareholders

Dear Sir/Madam,

**PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME
AND
NOTICE OF EGM**

INTRODUCTION

The purpose of this circular is (i) to provide you with information on the proposed refreshment of the Scheme Mandate Limit, and (ii) to give you the notice of the EGM at which a resolution will be proposed to consider and, if thought fit, to approve the refreshment of the Scheme Mandate Limit.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Board proposes to seek the approval of the Shareholders to refresh the 10% Scheme Mandate Limit of the Share Option Scheme. The Share Option Scheme of the Company was adopted on 14 October 2009, pursuant to which the Directors were authorized to grant options to subscribe for up to 1,500,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of listing of the Shares on the main board of the Stock Exchange on 5 November 2009. Since the listing of the Company in late 2009, the Company has granted in aggregate of 1,243,000,000 options to eligible participants under the Share Option Scheme. The scheme mandate limit of the Share Option Scheme has never been refreshed. The Company has thus only 257,000,000 share options available under the current Scheme Mandate Limit that may be granted to eligible participants under the Share Option Scheme, representing approximately 1.96% of the 13,133,834,900 Shares in issue as at the Latest Practicable Date

The Share Option Scheme was adopted to recognise and acknowledge the contributions of the Group's employees and other selected grantees made or may have made to the Group. The Share Option Scheme will provide the grantees with an opportunity to have a personal stake in the Company with the view to achieving the objectives of motivating the grantees to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the grantees whose contributions are or will be beneficial to the long-term growth of the Group.

As the existing Scheme Mandate Limit available to be granted to eligible participants represents less than 2% of the total number of Shares in issue, the Directors consider that it is in the interest of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit to the 10% provided under Chapter 17 of the Listing Rules in order to provide the Company with greater flexibility in granting share options to eligible persons (including employees and directors) of the Company under the Share Option Scheme as incentives to rewarding their contribution to the Company.

It is proposed that subject to the approval of the Shareholders at the EGM and such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and all other schemes of the Company shall not exceed 10% of the Shares in issue as at the date of approval of the proposed refreshment by the Shareholders at the EGM. Based on 13,133,834,900 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased or issued and no share options are being granted or exercised prior to the EGM, upon the approval of the refreshment of the 10% scheme mandate limit of the Share Option Scheme, the Director will be authorized to issue options to subscribe for a total of 1,313,383,490 Shares, representing 10% of the total number of Shares in issue as at the date of the passing of the resolution to refresh the Scheme Mandate Limit.

LETTER FROM THE BOARD

Share options previously granted under the Share Option Scheme and/or any other share option scheme(s) of the Company, including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme or such other schemes of the Company will not be counted for the purpose of the proposed refreshment.

The aggregate number of Shares which may be issued upon the exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company has not exceeded 30% of the Shares in issue as at the Latest Practicable Date. Save for the Share Option Scheme, the Company had a Pre-IPO Share Option Scheme where 208,000,000 options have been granted to the grantees to subscribe for Shares. As at the Latest Practicable Date, there is no outstanding options under the Pre-IPO Share Option Scheme that would enable grantees to subscribe for Shares.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the approval of the Shareholders at the EGM; and
- (b) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit of the Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for obtaining the approval mentioned in paragraph (b) above.

Since the adoption of the Share Option Scheme, the Company has not granted any share options to any grantee that exceeded 1% of the total number of Shares in issue in any 12-month period.

Of the 1,243,000,000 options granted under the Share Option Scheme, 773,070,000 options have been exercised, 174,499,000 options have been cancelled/lapsed and 294,931,000 options remain outstanding. The 294,931,000 outstanding options represent approximately 2.25% of the total number of Shares in issue as at the Latest Practicable Date.

EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 7 to 8 of this circular and a form of proxy for the EGM is enclosed. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

No Shareholder has a material interest in the proposed refreshment of the Scheme Mandate Limit and therefore no Shareholder is required to abstain from voting at the EGM in respect of the resolution proposed to refresh the Scheme Mandate Limit.

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, the 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.

RECOMMENDATION

The Board considers that the refreshment of the Scheme Mandate Limit will provide the Company with greater flexibility in granting share options to eligible participants under the Share Option Scheme. The Board considers that the proposed refreshment is in the best interests of the Company and the Shareholders as a whole and recommends all Shareholders to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
For and on behalf of
China Evergrande Group
Hui Ka Yan
Chairman



CHINA EVERGRANDE GROUP

中國恒大集團

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(Stock Code: 3333)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of China Evergrande Group (the “**Company**”) will be held at Salon 1–3, JW Ballroom, 3/F., JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 3 October 2017 at 11:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT**, subject to and conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the existing share option scheme of the Company up to a new 10 per cent limit (the “**Scheme Mandate Limit**”) be approved provided that:

- (a) the total number of Shares which may be issued upon exercise of options to be granted under such scheme after the date of the passing of this resolution, together with all options to be granted under any other share option scheme(s) of the Company on or after the date of passing this resolution, must not exceed 10 per cent of the number of Shares in issue as at the date of passing this resolution; and
- (b) options granted prior to the date of passing this resolution under such scheme or any other share option scheme(s) of the Company (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with such scheme or such other scheme(s) of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit and any director of the Company be and is hereby authorised to do such act and execute such document to effect the Scheme Mandate Limit.”

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

Hong Kong, 15 September 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who must be an individual) to attend and on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be lodged with the Company's share registrar, Computershare Hong Kong Investors Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting.
3. The record date for determining qualification for attendance and voting at the extraordinary general meeting shall be 28 September 2017. In order to qualify for attendance and voting at the meeting, all completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong not later than 4:30 p.m. on 27 September 2017.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant joint holding.

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