

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**CHINA EVERGRANDE GROUP**

中國恒大集團

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3333)**

**VOLUNTARY ANNOUNCEMENT  
RESTRUCTURING OF THE TARGET GROUP**

This announcement is made by the Company on a voluntary basis.

**RESTRUCTURING OF THE TARGET GROUP**

On 24 April 2023, the Purchaser, a wholly-owned subsidiary of the Company, the Company and Evergrande Auto entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to purchase, and Evergrande Auto conditionally agreed to sell as the beneficial owner, the Target Shares.

The initial consideration for the Target Shares shall be RMB2, subject to adjustment with reference to the Adjusted NAV of the Target Group as at 31 December 2022. If the Adjusted NAV of the Target Group is more than RMB2, the consideration for the Target Shares shall be adjusted to the amount of such Adjusted NAV of the Target Group (the “**Adjusted Consideration**”) and the Purchaser shall pay to Evergrande Auto an amount equal to the difference between the Adjusted Consideration and the initial consideration for the Target Shares (the “**Remaining Consideration**”).

The Remaining Consideration shall be paid by the Purchaser in cash or in kind or a combination of both, at the election of the Purchaser. If the Purchaser elects to pay the Remaining Consideration partly or wholly in kind, Evergrande Auto shall obtain further approval by the relevant shareholders of Evergrande Auto with respect to such manner of settlement. If the resolution proposed for such manner of settlement is rejected by Evergrande Auto’s relevant shareholders, the Remaining Consideration shall be settled in cash according to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement. If the Purchaser elects to pay the Remaining Consideration wholly in cash, such payment shall be made pursuant to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement. The payment of the Remaining Consideration by the Purchaser is subject to the requirements of the then prevailing Listing Rules applicable to the Company.

The consideration for the Target Shares was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, *inter alia*, (i) the unaudited net liabilities of the Target Group of approximately RMB24,789 million as at 31 December 2022; and (ii) the valuation of the Projects of approximately RMB60,154 million as at 28 February 2023 performed by an independent property valuer.

The Completion is conditional upon the satisfaction or waiver (as the case may be) of various conditions precedent, including but not limited to the relevant shareholders of Evergrande Auto having approved the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules.

## **INFORMATION ON THE TARGET GROUP**

Each of Assemble Guard and Flaming Ace is a company incorporated in the BVI with limited liability, and is principally engaged in the investment holding of, collectively, 47 existing health and living projects of the Evergrande Auto Group under the Health Management Segment and the NEV Segment via their subsidiaries (the “**Projects**”). The Projects are primarily residential and property development projects.

As at the date of this announcement, each of the Target Companies is a wholly-owned subsidiary of Evergrande Auto, which is held as to approximately 58.54% by the Company and is a subsidiary of the Company. Following the Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company and the financial information of the Target Group will continue to be consolidated into the consolidated financial statements of the Company.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company is a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange. The Company is a conglomerate and is principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. The Group has transformed from a real estate developer to a conglomerate featuring “diversified business & digital technology” and will gradually spin off its high-quality assets for listing, building a concentric and diversified ecosystem centered around -fixed and mobile spaces, while connecting the eight major businesses through closed-loop data sharing to serve hundreds of millions of customers.

### **Evergrande Auto**

Evergrande Auto is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, Evergrande Auto is held as to approximately 58.54% by the Company and is a subsidiary of the Company. The Evergrande Auto Group is principally engaged in technology research and development and manufacturing of, and sales services in respect of new energy vehicles

(collectively, the “**NEV Segment**”), as well as health management businesses including “Internet+” community health management, international hospitals, elderly care and rehabilitation (collectively, the “**Health Management Segment**”).

### **The Purchaser**

The Purchaser is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

### **REASONS FOR AND BENEFITS OF THE RESTRUCTURING**

The Board takes the view that the Restructuring can optimize the structure of the Evergrande Auto Group to allow it to focus on the NEV Segment and deploy appropriate resources towards the research, development and production of new energy vehicles in the NEV Segment. Given recent investor appetite for companies listed on the Stock Exchange which are principally engaged in the NEV Segment, the Board considers that the valuation of Evergrande Auto could be improved by focusing Evergrande Auto’s business on the NEV Segment (i.e. without two distinctive segments within the Evergrande Auto Group) and this may help to attract investors to Evergrande Auto and raise funds. This will also benefit the Group given that the Evergrande Auto Group are indirect subsidiaries of the Company. Furthermore, it is currently intended that the Company’s financial creditors, as part of the planned holistic restructuring of the Group’s offshore debts, will be able to receive bonds that are exchangeable, on certain terms, for shares in Evergrande Auto. As a result, such creditors shall also benefit from an increase in value of the Evergrande Auto Group.

In addition, following the Completion, each of the Target Companies will become wholly-owned by the Company. The Board considers that the Projects can be successfully consolidated with the existing property development business of the Group.

Having considered the above factors, the Board is of the view that the terms and conditions of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interest of the Company and its Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As all of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Restructuring are less than 5%, the Restructuring does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 21 March 2022. Trading in the Shares will remain suspended until further notice.

*Completion of the Restructuring is conditional upon the satisfaction or, if applicable, waiver of various conditions precedent which may or may not be fulfilled. Accordingly, the Restructuring may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.*

## DEFINITIONS

In this announcement, the following terms and expressions (unless the context otherwise requires) have the following meanings:

“Adjusted Consideration”	has the meaning ascribed to it under the section headed “Restructuring of the Target Group” in this announcement
“Adjusted NAV of the Target Group”	the combined net assets (or net liabilities) value of the Target Group which is to be adjusted by the value of the Projects based on the valuation as at 28 February 2023 conducted by an independent property valuer
“Assemble Guard”	Assemble Guard Limited (薈保有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of Evergrande Auto as at the date of this announcement
“Assemble Guard Share”	one share in Assemble Guard, representing the entire issued share capital of Assemble Guard
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Company”	China Evergrande Group, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3333)
“Completion”	completion of the transfer of the Target Shares under the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Evergrande Auto”	China Evergrande New Energy Vehicle Group Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of the Company, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 708)
“Evergrande Auto Group”	Evergrande Auto and its subsidiaries

“Flaming Ace”	Flaming Ace Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of Evergrande Auto as at the date of this announcement
“Flaming Ace Share”	one share in Flaming Ace, representing the entire issued share capital of Flaming Ace
“Group”	the Company and its subsidiaries
“Health Management Segment”	has the meaning ascribed to it under the section headed “Information on the Parties” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NEV Segment”	has the meaning ascribed to it under the section headed “Information on the Parties” in this announcement
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project(s)”	has the meaning ascribed to it under the section headed “Information on the Target Group” in this announcement
“Purchaser”	Anxin Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Remaining Consideration”	has the meaning ascribed to it under the section headed “Restructuring of the Target Group” in this announcement
“Restructuring”	the transfer of the Target Shares by Evergrande Auto to the Purchaser pursuant to the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 24 April 2023 entered into between the Company, the Purchaser and Evergrande Auto in relation to, among others, the transfer of the Target Shares
“Share(s)”	the ordinary share(s) of US\$0.01 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Companies”	collectively, Assemble Guard and Flaming Ace
“Target Group”	collectively, Assemble Guard, Flaming Ace and their respective subsidiaries from time to time
“Target Shares”	collectively, the Assemble Guard Share and the Flaming Ace Share
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 24 April 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.*