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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 your licensed securities dealer, 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, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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- (1) PAYMENT OF FINAL DIVIDEND,  
(2) RENEWAL OF GENERAL MANDATES TO ISSUE SHARES  
AND TO BUY BACK SHARES,  
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT  
OF THE SHARE OPTION SCHEME,  
(4) RE-ELECTION OF DIRECTORS,  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at 11:00 a.m. on Monday, 6 July 2020 at the Island Ballroom, Level 5, Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong is set out at pages 17 to 21 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you intend to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meeting or any adjourned meeting thereof should you so wish.

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## PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

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In light of the COVID-19 pandemic and in compliance with the HKSAR Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of the novel coronavirus, the Company will implement additional precautionary measures at the Annual General Meeting including, without limitation:

- (1) compulsory body temperature screening — anyone with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the Annual General Meeting and requested to leave;
- (2) mandatory use of surgical face masks — no masks will be provided at the Annual General Meeting and attendees should bring their own masks;
- (3) mandatory health declaration — anyone subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the Annual General Meeting (“**recent travel history**”), or has close contact with any person under quarantine or with recent travel history will not be permitted to attend the Annual General Meeting;
- (4) anyone attending the Annual General Meeting is reminded to observe good personal hygiene at all times;
- (5) appropriate distancing and spacing in line with the guidance from the HKSAR Government will be maintained and as such, the Company may limit the number of attendees at the Annual General Meeting as may be necessary to avoid over-crowding; and
- (6) No refreshments or drinks will be provided to attendees at the Annual General Meeting.

In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly advises Shareholders NOT to attend the Annual General Meeting in person, and recommends Shareholders to appoint the Chairman of the Annual General Meeting as their proxy to vote according to their indicated voting instructions as an alternative to attending the Annual General Meeting in person.

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

If Shareholders have any questions relating to the Annual General Meeting, please contact the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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## DEFINITIONS

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

“Annual General Meeting”	the Annual General Meeting of the Company to be held at the Island Ballroom, Level 5, Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong, on 6 July 2020 at 11:00 a.m. or any adjournment thereof;
“Articles”	the articles of association of the Company;
“Board”	the board of Directors;
“Company”	China Evergrande Group (中國恒大集團), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Eligible Participants”	(i) any full time or part-time employees, executives, officers or directors (including executive, non-executive and independent non-executive directors) of the Group; and  (ii) any advisers, consultants, agents, suppliers or joint venture partners who, in the sole opinion of the Board, will contribute or have contributed to the Group;
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and otherwise deal with new Shares and other securities, representing 20% of the total number of Shares in issue as at the date of passing of the relevant resolution;
“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 PRC;
“Latest Practicable Date”	28 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

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## DEFINITIONS

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“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“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;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time;
“Shareholder(s)”	the holder(s) of the Share(s);
“Share(s)”	ordinary shares of US\$0.01 each in the share capital of the Company;
“Share Buy-back Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to buy back Shares up to a maximum of 10% of the total number of Shares in issue as at the date of passing of the relevant resolution;
“Share Option Scheme”	the share option scheme of the Company adopted on 6 June 2019;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent



**中國恒大集團**

CHINA EVERGRANDE GROUP

**China Evergrande Group**

**中國恒大集團**

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

**(Stock Code: 3333)**

*Executive Directors:*

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

*Independent non-executive Directors:*

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

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

*Head Office:*

No. 1126, Haide 3rd Road  
Nanshan District  
Shenzhen  
Guangdong Province  
China (Postal Code: 518054)

*Principal place of business in Hong Kong:*

23rd Floor, China Evergrande Centre  
38 Gloucester Road, Wanchai  
Hong Kong

3 June 2020

*To the Shareholders:*

Dear Sir or Madam,

- (1) PAYMENT OF FINAL DIVIDEND,  
(2) RENEWAL OF GENERAL MANDATES TO ISSUE SHARES  
AND TO BUY BACK SHARES,  
(3) REFRESHMENT OF THE SCHEME MANDATE LIMIT  
OF THE SHARE OPTION SCHEME,  
(4) RE-ELECTION OF DIRECTORS,  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the payment of the final dividend for the year ended 31 December 2019, the renewal of the general mandates to allot, issue and deal with the Shares and to buy back Shares, the refreshment of the Scheme Mandate Limit, and the re-election of Directors.

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## LETTER FROM THE BOARD

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At the Annual General Meeting, resolutions will be proposed, among others, for the Shareholders to approve (i) the payment of the final dividend for the year ended 31 December 2019, (ii) the renewal of the General Mandate and the Share Buy-back Mandate; (iii) the extension of the General Mandate to include Shares bought back pursuant to the Share Buy-back Mandate; (iv) the refreshment of the Scheme Mandate Limit, and (v) the re-election of Directors.

### **PROPOSED DIVIDEND PAYMENT**

The Board has resolved on 31 March 2020 to declare a dividend of RMB0.653 per Share for the financial year ended 31 December 2019.

The Proposed Dividend Payment is subject to approval by the Shareholders at the Annual General Meeting.

The final dividend is expected to be paid on or before 21 July 2020 to the shareholders whose names appeared on the register of members of the Company on 10 July 2020.

### **APPLICABLE EXCHANGE RATE FOR DIVIDEND PAYMENT**

The applicable exchange rate for converting RMB into HK\$ for the purpose of the final dividend payment in Hong Kong dollar is HK\$1.00 to RMB0.91941, which was determined with reference to the median exchange rate between Hong Kong dollar and Renminbi announced by the People's Bank of China on the Latest Practicable Date. Based on this exchange rate and assuming that there is no change to the number of Shares in issue from the Latest Practicable Date to the record date (assuming all repurchased but uncancelled Shares as at the Latest Practicable Date have been cancelled before the record date) for determining final dividend entitlement, the amount involved for the Proposed Dividend Payment will be an aggregate of approximately HK\$9,331,935,000, or HK\$0.71 per Share.

The final dividend is expected to be paid on or before 21 July 2020 to the shareholders whose names appeared on the register of members of the Company on 10 July 2020.

### **RENEWAL OF GENERAL MANDATES TO ISSUE AND BUY BACK SHARES**

#### **General Mandate**

At the annual general meeting of the Company held on 6 June 2019, an ordinary resolution was passed giving a general mandate to the Directors to allot and issue up to 2,625,566,980 Shares, representing 20% of the total number of shares of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, no Shares have been issued under such mandate.

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## LETTER FROM THE BOARD

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### Share Buy-back Mandate

At the annual general meeting of the Company held on 6 June 2019, an ordinary resolution was passed giving a general mandate to the Directors to buy back up to 1,312,783,490 Shares, representing 10% of the total number of shares of the Company in issue as at the date of the passing of the relevant resolution. Since the granting of the Share Buy-back Mandate and up to the Latest Practicable Date, the Company has repurchased in aggregate 99,620,000 Shares under such share buy-back mandate.

The general mandates to issue and buy back Shares will expire at the conclusion of the forthcoming Annual General Meeting. At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares representing 20% of the total number of shares of the Company in issue as at the date of passing the resolution. The General Mandate will end on the earliest of the conclusion of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Share Buy-back Mandate to the Directors to exercise all powers of the Company to buy back issued Shares subject to the criteria set out in this circular. Under such Share Buy-back Mandate, the maximum number of Shares that the Company may buy back shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 13,243,189,900 Shares, without taking into consideration the 99,620,000 Shares that have been repurchased by the Company but not yet cancelled. On the assumption that such repurchased Shares would be cancelled before the Annual General Meeting, and that no further Shares are repurchased or issued and no share options are being granted or exercised between the Latest Practicable Date and the Annual General Meeting, the number of Shares in issue would be 13,143,569,900 on the date of the Annual General Meeting. Subject to the passing of the proposed ordinary resolution approving the granting of the Share Buy-back Mandate and assuming there is no change to the number of issued shares of the Company prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 1,314,356,990 Shares, being 10% of the total number of shares of the Company in issue as at the date of the passing of the resolution in relation thereof. The Share Buy-back Mandate will end on the earliest of the conclusion of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and



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## LETTER FROM THE BOARD

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- (c) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Share Buy-back Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares bought back under the Share Buy-back Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Share Buy-back Mandate at the Annual General Meeting.

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT**

The Board proposes to seek the approval of the Shareholders at the Annual General Meeting to refresh the 10% Scheme Mandate Limit of the Share Option Scheme. The Share Option Scheme of the Company was adopted on 6 June 2019, pursuant to which the Directors were authorized to grant options to subscribe for up to 1,312,783,490 Shares, representing 10% of the issued share capital of the Company as at the date of the passing of the resolution to approve the adoption of the Share Option Scheme. Since the adoption of the Share Option Scheme, the Company has granted in aggregate of 623,000,000 options to eligible participants under the Share Option Scheme. The 623,000,000 options granted represent approximately 47.46% of the existing Scheme Mandate Limit. As such, the Company has only 689,783,490 share options available, representing approximately 52.54% under the existing Scheme Mandate Limit or approximately 5.21% of the 13,243,189,900 Shares in issue as at the Latest Practicable Date, that may be granted to eligible participants under the Share Option Scheme.

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 purpose of the Share Option Scheme is to enable the Company to grant options to selected Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group. The Directors consider that the Share Option Scheme will serve to motivate Eligible Participants to contribute to the Group's development. The Share Option Scheme, which will be in the form of Options to subscribe for Shares, will enable the Group to recruit, incentivize and retain high-calibre staff. The Directors consider that the Share Option Scheme is in line with modern commercial practice that Eligible Participants, which will include full-time or part-time employees, directors, members of the management, advisors, consultants, agents, suppliers and joint venture partners who have contributed to the Group, be given incentives and align their interests and objectives with that of the Group. The Company has never granted any options under any option schemes to any parties other than employees and directors of the Group in the past. The Directors consider that the inclusion of persons other than the employees and directors of the Group as Eligible Participants is appropriate, as the successful development of the Group could not be achieved by the Directors and employees alone and will also depend on the cooperation of the business partners of the Group, including advisors, consultants, agents, suppliers and joint venture partners, which all play an important role in the business of the Group. Given that the success of the Group requires the cooperation and contribution from such parties, it is important that the Group is able to maintain

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## LETTER FROM THE BOARD

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good relationship with them. Having a share option scheme in place is one of the means to attract and retain those persons who contribute to the continuous development of the Group, so that they have an incentive to render improved services and/or patronage to the Group on a long-term basis. The inclusion of advisors, consultants, agents, suppliers and joint venture partners who have contributed to the Group in the list of Eligible Participants would provide the Company with the flexibility of rewarding such persons should the situation arises that such reward and incentive would encourage them to align their interests and objectives with that of the Group and work towards enhancing the value of the Company and its Shares for the long-term development and benefit of the Group.

Before granting Options to any parties who are not Directors or employees, the Board will carefully assess and evaluate the eligibility of such parties in accordance with their performance and potential and/or actual contribution to the business affairs and benefits of the Group.

As the existing Scheme Mandate Limit available to be granted to Eligible Participants represents only approximately 5.21% 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 Participants as incentives to rewarding their contribution to the Company.

It is proposed that subject to the approval of the Shareholders at the Annual General Meeting 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 Annual General Meeting. Based on 13,243,189,900 Shares in issue as at the Latest Practicable Date and that the 99,620,000 Shares that have been repurchased by the Company but not yet cancelled would be cancelled before the Annual General Meeting, and assuming that no further Shares are repurchased or issued and no share options are being granted or exercised between the Latest Practicable Date and the Annual General Meeting, the number of Shares in issue would be 13,143,569,900 on the date of the Annual General Meeting. 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 1,314,356,990 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.

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

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## LETTER FROM THE BOARD

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Practicable Date. Other than the Share Option Scheme, the Company had a share option scheme adopted on 14 October 2009 (the “**2009 Option Scheme**”) which was terminated by the Shareholders upon the adoption of the Share Option Scheme. Under the 2009 Option Scheme, the Company has 243,464,000 options outstanding which enable grantees to subscribe for Shares. The aggregate number of outstanding options under the 2009 Option Scheme and the number of options that may be granted under the refreshed Scheme Mandate Limit will not exceed 30% of the total number of Shares in issue as at the Latest Practicable Date.

The refreshment of the Scheme Mandate Limit is conditional upon:

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

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of any options that may be granted under the refreshed limit of the Share Option Scheme.

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 623,000,000 options granted under the Share Option Scheme, all of the options remain outstanding as at the Latest Practicable Date. Such outstanding options represent approximately 4.70% of the total number of Shares in issue as at the Latest Practicable Date.

### **RE-ELECTION OF DIRECTORS**

Pursuant to Article 16.18 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being will retire from office by rotation. The retiring Directors will be eligible for re-election. Pursuant to Article 16.18 of the Articles of Association, Mr. Shi Junping, Mr. Pan Darong and Mr. Huang Xiangui will retire at the forthcoming Annual General Meeting, and being eligible, will offer themselves for re-election.

The biographical details of such re-electing Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **ANNUAL GENERAL MEETING**

The Company will convene the Annual General Meeting at 11:00 a.m. on Monday, 6 July 2020 at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the Annual General Meeting as set out on pages 17 to 21 of this circular.

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## LETTER FROM THE BOARD

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A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M 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 appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from 30 June 2020 to 6 July 2020, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 29 June 2020.

For the purpose of ascertaining entitlement to the final dividend for the year ended 31 December 2019, the register of members of the Company will be closed from 10 July 2020 to 14 July 2020, both days inclusive. In order to be entitled to the final dividend for the year ended 31 December 2019, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 9 July 2020.

### **RECOMMENDATIONS**

The Directors consider that the proposed payment of final dividend for 2019, the renewal of the General Mandate and the Share Buy-back Mandate, the refreshment of the Scheme Mandate Limit and the re-election of the retiring Directors are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend that the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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 document misleading.

By Order of the Board of  
**CHINA EVERGRANDE GROUP**  
**Hui Ka Yan**  
*Chairman*

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Share Buy-back Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

### **SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 13,243,189,900 Shares in issue, without taking into consideration the 99,620,000 Shares that have been repurchased by the Company but not yet cancelled. Subject to the passing of the resolution granting the Share Buy-back Mandate and on the basis that all the repurchased Shares have been cancelled and that there is no change in the number of issued shares of the Company during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Share Buy-back Mandate to buy back a maximum of 1,314,356,990 Shares, being 10% of the total number of shares of the Company in issue as at the date of the passing of the relevant resolution at the Annual General Meeting.

### **REASONS FOR SHARE BUY BACK**

The Directors consider that the ability to buy back Shares would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such buy back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a buy back will benefit the Company and the Shareholders as a whole.

### **FUNDING OF BUY BACK**

The Company is empowered by its memorandum and articles of association to buy back its Shares. In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share buy-back may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or subject to the Companies Law, out of capital of the Company. The amount of premium payable on the buy-back of Shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Companies Law, out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the buy back by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the Shares so bought back would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

In the event that the proposed share buy-back were to be carried out in full at any time during the proposed buy back period, the working capital position and the gearing levels of the Company may be affected. However, the Directors do not propose to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

No core connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Share Buy-back Mandate is granted by the Shareholders.

#### **UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make the buy-back pursuant to the Share Buy-back Mandate and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

#### **EFFECT OF TAKEOVERS CODE AND PUBLIC FLOAT**

If on the exercise of the power to repurchase Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

At the time of listing of the Company in 2009, the Company has applied to the Stock Exchange for a waiver in respect of the public float requirement under Rule 8.08(1)(d) of the Listing Rules. The Stock Exchange has accepted a lower level of public float for the Company at the time of the listing subject to the minimum public float should be the higher of (a) 15%, or (b) such a percentage of Shares held by the public immediately after completion of the global offering of the Company, as increased by the Shares issued upon the exercise of the over-allotment option under the global offering. As announced by the Company on 27 November 2009 with regard to the exercise of the over-allotment option and the end of the stabilization period for the global offering, the percentage of Shares that was held by the public then was 22.04%. As such, the minimum public float requirement that the Company should maintain at all times should be 22.04%. As at the

Latest Practicable Date, Mr. Hui Ka Yan and his associates were interested in approximately 76.73% of the issued shares of the Company and the Company was in compliance with the public float requirement under Rule 8.08 of the Listing Rules. In the event that the Directors exercise in full the power to buy back Shares pursuant to the Share Buy-back Mandate, the aggregate percentage shareholdings of Mr. Hui Ka Yan and his close associates would increase to approximately 85.25%. Such increases would not trigger any mandatory offer obligation under Rules 26 of the Takeovers Code but would cause the number of Shares held in public hands to fall to approximately 14.75%.

The Directors will comply with the public float requirement under Rule 8.08 of the Listing Rules and will not buy back any Shares if as a result of such buy back the Company cannot meet its minimum requirement for public float.

#### SHARE BUY BACK BY THE COMPANY

Details on the repurchase of Shares by the Company during the six months immediately preceding the Latest Practicable Date are as follows:

<b>Month of repurchase</b>	<b>Number of Shares repurchased</b>	<b>Highest price per Share <i>HK\$</i></b>	<b>Lowest price per Share <i>HK\$</i></b>	<b>Aggregate purchase price <i>HK\$</i></b>
May 2020	<u>99,620,000</u>	17.04	12.84	<u>1,555,629,220</u>
	<u>99,620,000</u>			<u>1,555,629,220</u>



## SHARE PRICES

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2019</b>		
May	25.15	20.40
June	22.75	20.05
July	23.60	20.75
August	20.90	16.10
September	18.12	16.10
October	19.20	16.36
November	20.60	18.60
December	21.95	18.80
<b>2020</b>		
January	22.60	17.26
February	19.34	16.82
March	18.10	9.76
April	14.34	12.38
May (up to the Latest Practicable Date)	17.10	13.20

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

**Mr. Shi Junping (史俊平)**, aged 36, is an executive Director and the chairman of Evergrande Bao Group (恒大寶集團). Mr. Shi takes full charge of the management of the Evergrande Bao Group. He has over 13 years of experience in marketing and management for property development and brand image strategic operations for multiple industries, including real estate and finance. Mr. Shi joined the Group in 2006, and has a bachelor of arts degree and a bachelor of laws degree, and a master's degree in engineering management.

Mr. Shi has entered into a service contract with the Company for a term of three years and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Shi is receiving a director's fee of RMB240,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company as well as the prevailing market conditions. Mr. Shi is also entitled to receive salary, bonus and other benefits as a senior management of the Company in accordance with the remuneration policy of the Group.

As at the Latest Practicable Date, Mr. Shi was interested in 10,100,000 share options entitling him to subscribe for 10,100,000 Shares of the Company, representing approximately 0.07% of the issued share capital of the Company. Save as disclosed, Mr. Shi does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Save for the directorship in the Company, Mr. Shi not been a director of any other listed public companies in the last three years. Mr. Shi does not have any relationship with any other director, senior management or substantial shareholder of the Company.

**Pan Darong (潘大榮)**, aged 47, is an executive Director and the chief financial officer of the Group. Mr. Pan takes full charge of the financial management of the Group. Mr. Pan has over 25 years of experience in auditing, accounting and finance. Mr. Pan graduated from the investment and economic faculty of Zhongnan University of Economics (中南財經大學). He is an accredited economist in China.

Mr. Pan has entered into a service contract with the Company for a term of three years and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Pan is receiving a director's fee of RMB240,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company as well as the prevailing market conditions. Mr. Pan is also entitled to receive salary, bonus and other benefits as a senior management of the Company in accordance with the remuneration policy of the Group.

As at the Latest Practicable Date, Mr. Pan was interested in 8,000,000 share options entitling him to subscribe for 8,000,000 Shares of the Company, representing approximately 0.06% of the issued share capital of the Company. Save as disclosed, Mr. Pan does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Save for the directorship in the Company, Mr. Pan has not been a director of any other listed public companies in the last three years. Mr. Pan does not have any relationship with any other director, senior management or substantial shareholder of the Company.

**Huang Xiangui (黃賢貴)**, aged 49, is an executive Director and the general manager of the Group's Hong Kong company. Mr. Huang joined the Group in 2004. He graduated from Harbin Engineering University and University of Stirling, and obtained a bachelor degree in chemical engineering and a master degree of science in banking and finance respectively. Mr. Huang is currently responsible for the international capital operation and investment management of the Group. Mr. Huang has over 23 years of experience in marketing, human resource management, foreign capital and funds operation and management.

Mr. Huang has entered into a service contract with the Company for a term of three years and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Huang is receiving a director's fee of RMB240,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company as well as the prevailing market conditions. Mr. Huang is also entitled to receive salary, bonus and other benefits as a senior management of the Company in accordance with the remuneration policy of the Group.

As at the Latest Practicable Date, Mr. Huang was interested in 5,300,000 share options entitling him to subscribe for 5,300,000 Shares of the Company, representing approximately 0.04% of the issued share capital of the Company. Save as disclosed, Mr. Huang does not have any other interests in the securities of the Company within the meaning of Part XV of the SFO.

Mr. Huang is currently an executive director of HengTen Networks Group Limited, a subsidiary of the Company listed on the Stock Exchange (Stock Code: 136). Save as disclosed, Mr. Huang has not been a director of any other listed public companies in the last three years. Mr. Huang does not have any relationship with any other director, senior management or substantial shareholder of the Company.

### **Others**

There is no other information relating to the above Directors that needs to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders in relation to the above Directors.



**China Evergrande Group**

中國恒大集團

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

**(Stock Code: 3333)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of China Evergrande Group (the “**Company**”) will be held at the Island Ballroom, Level 5, Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong on Monday, 6 July 2020 at 11:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions as ordinary resolutions of the Company:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2019;
2. To approve the payment of a final dividend of RMB0.653 per share for the year ended 31 December 2019;
3. To re-elect Mr. Shi Junping as an executive Director;
4. To re-elect Mr. Pan Darong as an executive Director;
5. To re-elect Mr. Huang Xiangui an executive Director;
6. To authorise the board of Directors to fix the remuneration of the Directors; and
7. To re-appoint PricewaterhouseCoopers as the auditors of the Company and authorise the board of Directors to fix their remuneration;

**SPECIAL BUSINESS**

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) shall be in addition to any other authorisation gives to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

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## NOTICE OF ANNUAL GENERAL MEETING

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9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back the issued shares of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the total number of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and

10. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT** conditional upon the passing of resolutions nos. 7 and 8 above, the general mandate to the Directors pursuant to resolution no. 7 be and is hereby extended by the addition thereto of such number of shares of the Company bought back by the Company under the authority granted pursuant to the resolution no. 8, provided that such number of shares shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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11. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT**, subject to and conditional upon the Stock Exchange granting approval of 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 Refreshed 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 “**Refreshed 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 Refreshed Scheme Mandate Limit and any Director be and is hereby authorised to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”

By Order of the Board of  
**CHINA EVERGRANDE GROUP**  
**Hui Ka Yan**  
*Chairman*

Hong Kong, 3 June 2020

*Notes:*

- 1. A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- 2. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- 3. In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. The register of members of the Company will be closed from 30 June 2020 to 6 July 2020 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 29 June 2020.
5. As at the date of this notice, the board of Directors comprises nine members, of which Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Shi Junping, Mr. Pan Darong and Mr. Huang Xiangui are the executive Directors; and Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi are the independent non-executive Directors.