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**CHINA EVERGRANDE GROUP**

**中國恒大集團**

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

**(Stock Code: 3333)**

**ISSUANCE OF ADDITIONAL US\$1,000 MILLION 11.0% SENIOR NOTES DUE 2020  
(TO BE CONSOLIDATED AND FORM A SINGLE CLASS WITH THE US\$565  
MILLION 11.0% SENIOR NOTES DUE 2020 ISSUED ON 6 NOVEMBER 2018),  
BY SCENERY JOURNEY LIMITED**

Reference is made to the Announcements. The Additional Notes are unconditionally and irrevocably guaranteed on a joint and several basis by Tianji Holding and by certain other subsidiaries of Tianji Holding organized outside the PRC. The Additional Notes will benefit from a keepwell and equity interest purchase undertaking from Hengda Real Estate.

On 19 November 2018, the Issuer, Hengda Real Estate, Tianji Holding and the Subsidiary Guarantors entered into the Purchase Agreement with China CITIC Bank International, CEB International and Haitong International in connection with the issue of the Additional 2020 Notes in the aggregate amount of US\$1,000 million.

Hengda Real Estate as the keepwell provider, Tianji Holding as the parent guarantor, the Issuer and Citicorp International Limited as trustee of the Additional Notes (“Trustee”) will enter into a keepwell and equity interest purchase undertaking.

The Group intends to use the net proceeds of the Additional Notes Issue primarily to refinance existing offshore indebtedness.

The Original Notes are listed on the SGX-ST. Approvals in-principle have been received from the SGX-ST for the listing and quotation of the Additional Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Additional Notes on, the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, Hengda Real Estate, the Parent Guarantor, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any), the Additional Notes, the Parent Guarantee, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

No listing of the Additional Notes has been sought in Hong Kong.

**The issue of the Additional Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

Reference is made to the Announcements. Unless otherwise defined, terms defined in this announcement shall have the same meanings as defined in the Announcements. The Board is pleased to announce that on 19 November 2018, the Issuer, Hengda Real Estate, Tianji Holding and the Subsidiary Guarantors entered into the Purchase Agreement with China CITIC Bank International, CEB International and Haitong International in connection with the Additional Notes Issue.

## **THE PURCHASE AGREEMENT**

Date: 19 November 2018

Parties:

- (i) the Issuer;
- (ii) Hengda Real Estate;
- (iii) Tianji Holding;
- (iv) the Subsidiary Guarantors;
- (v) China CITIC Bank International;
- (vi) CEB International;
- (vii) Haitong International.

Pursuant to the Purchase Agreement, the Issuer will issue the Additional Notes and China CITIC Bank International, CEB International and Haitong International, the joint global coordinators, joint bookrunners and joint lead managers, will be the initial purchasers of the Additional Notes. The Additional Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Tianji Holding, the Subsidiary Guarantors and any future JV Subsidiary Guarantors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of China CITIC Bank International, CEB International and Haitong International is an independent third party and is not a connected person of the Company.

**THE ADDITIONAL NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT. THE ADDITIONAL NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN COMPLIANCE WITH REGULATIONS S UNDER THE U.S. SECURITIES ACT AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF ANY U.S. PERSON ABSENT REGISTRATION EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. NONE OF THE ADDITIONAL NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG.**

## **PRINCIPAL TERMS OF THE ADDITIONAL NOTES**

The principal terms of the Additional Notes are the same as the terms of the Original Notes as set forth in the announcement of the Company dated 31 October 2018, other than the followings:

### **Offering Price**

The offering price of the Additional Notes is 100% of the principal amount with respect to the Additional 2020 Notes, plus accrued interest from (and including) 6 November 2018 to (but excluding) 23 November 2018.

### **Notes Offered**

Subject to certain conditions to completion, the Issuer will issue the Additional 2020 Notes in an aggregate principal amount of US\$1,000 million, to be consolidated and form a single class with the Original 2020 Notes. The Additional 2020 Notes will mature on 6 November 2020, unless earlier redeemed in accordance with the terms thereof.

## **THE KEEPWELL AND EQUITY INTEREST PURCHASE AGREEMENT (THE “KEEPWELL AND EIPU”)**

Date: to be dated 23 November 2018

Parties: (i) the Issuer;  
(ii) Hengda Real Estate;  
(iii) Tianji Holding;  
(iv) the Trustee.

Pursuant to the Keepwell and EIPU, Hengda Real Estate will agree that it shall cause (x) Tianji Holding to have a consolidated net worth of at least RMB1.0 billion at all times and (y) the Issuer, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) to have a consolidated net worth of at least US\$1.00 at all times, (ii) Tianji Holding, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) to have sufficient liquidity to ensure timely payment by such entity of any amounts payable in respect of the Additional Notes or the guarantees in accordance with their terms of payment

as and when due and (iii) each of Tianji Holding, the Issuer, each Subsidiary Guarantor and each JV Subsidiary Guarantor (if any) shall remain solvent and a going concern at all times under the laws of their respective jurisdictions of incorporation or applicable accounting standards.

Pursuant to the Keepwell and EIPU, for so long as the Additional Notes are outstanding, Hengda Real Estate agrees to, upon receipt of a written notice from the Trustee following an event of default and subject to obtaining all necessary approvals from the relevant approval authorities, purchase the equity interest held by Tianji Holding and/or any other subsidiaries of Tianji Holding, or the equity interest held by all subsidiaries of Tianji Holding incorporated outside the PRC at a certain price. The purchase price will be determined in accordance with the terms of the Keepwell and EIPU, which provides that, among others, the purchase price in any event shall not be lower than the amount sufficient to enable Tianji Holding, the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to discharge in full their respective obligations under the Additional Notes, the Subsidiary Guarantees, the indenture governing the Additional Notes, the Keepwell and EIPU (including without limitation the principal amount of the Additional Notes then outstanding as at the date of such written notice, any premium and any interest due and unpaid and/or accrued but unpaid on the Additional Notes up to but excluding the date of such written notice).

The Keepwell and EIPU does not constitute a guarantee by Hengda Real Estate of the payment obligation of the Issuer under the Additional Notes. The performance by Hengda Real Estate of its obligations under the Keepwell and EIPU may be subject to necessary approvals, consents, licenses, orders, permits and any other authorizations from the relevant approval authorities.

## **REASONS FOR THE ADDITIONAL NOTES ISSUE**

The Group is a leading real estate development company in China. Founded in Guangzhou City, Guangdong Province in 1996, the Group has become a leading national property developer through its economies of scale and widely recognised brand name, under the leadership of its management team. Over the years, the Group's focus on a centralised management system, a standardised operational model and quality products have allowed it to quickly replicate its success across cities in China.

The Additional Notes Issue is being carried out by the Group to raise fund and the net proceeds from the Additional Notes Issue of approximately US\$999.3 million will be used by the Group to refinance existing offshore indebtedness.

## **LISTING**

The Original Notes are listed on the SGX-ST. Approvals in-principle have been received from the SGX-ST for the listing and quotation of the Additional Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Additional Notes on, the SGX-ST are not to be taken as an indication of the merits of

the offering, the Issuer, Hengda Real Estate, the Parent Guarantor, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any), the Additional Notes, the Parent Guarantee, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

No listing of the Additional Notes has been sought in Hong Kong.

## **RATING**

The Additional Notes are expected to be rated “B” by Standard & Poor’s Ratings Services, “B2” by Moody’s Investors Service and “B+” by Fitch Ratings.

**The issue of the Additional Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Additional 2020 Notes”	US\$ denominated senior notes due 2020 in the aggregate amount of US\$1,000 million to be issued by the Issuer; (to be consolidated and form a single class with the 2020 Notes)
“Announcements”	the announcements dated 30 October 2018 and 31 October 2018 in respect of the issue of the Original Notes and 19 November 2018 in respect of the Additional Notes Issue
“Original 2020 Notes”	the 11.0% senior notes due 2020 in the aggregate principal amount of US\$565 million issued by the Issuer on 6 November 2018
“Purchase Agreement”	the purchase agreement entered into between, among others, China CITIC Bank International, CEB International, Haitong International, the Issuer, the Subsidiary Guarantors, Tianji Holding and Hengda Real Estate in relation to the Additional Notes Issue

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

Hong Kong, 19 November 2018

*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.*