

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.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.



(I) ISSUANCE OF 6.25% SENIOR NOTES DUE 2021, (II) ISSUANCE OF 7.50% SENIOR NOTES DUE 2023 AND (III) ISSUANCE OF 8.75% SENIOR NOTES DUE 2025

Reference is made to the announcements of the Company dated June 8, 2017, June 16, 2017 and June 21, 2017.

The Board is pleased to announce that on June 21, 2017, the Company entered into a purchase agreement with, among others, Credit Suisse, China CITIC Bank International and Haitong International in connection with the New 2021 Notes Issuance, the New 2023 Notes Issuance and the New 2025 Notes Issuance.

Subject to the fulfillment or waiver of the conditions precedent to the New Notes Issuance, the Company will issue:

- (a) the New 2021 Notes with an principal amount of US\$500 million;
- (b) the New 2023 Notes with an principal amount of US\$1,000 million; and
- (c) the New 2025 Notes with an principal amount of US\$2,300 million.

The transaction further reduces the Company's financing cost and optimizes its debt structure, which fully demonstrates the recognition of international investors on the business and development prospect of the Company.

Reference is made to the announcements of the Company dated June 8, 2017, June 16, 2017 and June 21, 2017. Unless otherwise defined herein, capitalized terms used herein shall have the same meaning as defined in the announcements.

THE PURCHASE AGREEMENT IN RELATION TO THE NEW NOTES ISSUANCE

Date: June 21, 2017

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the subsidiary guarantors;
- (c) Credit Suisse;
- (d) China CITIC Bank International; and
- (e) Haitong International.

The pricing of the New Notes, including the aggregate principal amount and the offering price was determined through a book building exercise conducted by Credit Suisse, China CITIC Bank International and Haitong International as the joint lead managers and joint bookrunners. In respect of the offer and sale of the New Notes, Credit Suisse, China CITIC Bank International and Haitong International are also the initial purchasers of the New Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Credit Suisse, China CITIC Bank International and Haitong International is an independent third party and not a connected person of the Company.

The New Notes and the subsidiary guarantees have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the New Notes are being offered and sold only to non-U.S. persons outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the New Notes will be offered to the public in Hong Kong.

Offering Price

The offering price of each series of the New Notes is set out as follows:

- (a) 100% of the principal amount with respect to the New 2021 Notes;
- (b) 100% of the principal amount with respect to the New 2023 Notes; and
- (c) 100% of the principal amount with respect to the New 2025 Notes.

PRINCIPAL TERMS OF THE NEW NOTES

Amount and Tenor

Subject to the fulfillment or waiver of the conditions precedent to the New Notes Issuance, the Company will issue:

- (a) the New 2021 Notes with an principal amount of US\$500 million;
- (b) the New 2023 Notes with an principal amount of US\$1,000 million; and
- (c) the New 2025 Notes with an principal amount of US\$2,300 million.

Interest

The New 2021 Notes, New 2023 Notes and New 2025 Notes will bear interest from and including June 28, 2017 at the rate of 6.25%, 7.50% and 8.75% per annum, respectively, payable semi-annually in arrears on June 28 and December 28 of each year, commencing December 28, 2017.

Ranking of the New Notes

The New Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the New Notes; (3) at least *pari passu* in right of payment with the existing *pari passu* secured indebtedness and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured, unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the subsidiary guarantors and the JV subsidiary guarantors (if any) on a senior basis, subject to certain limitations under applicable law; (5) effectively subordinated to the other secured obligations of the Company, the subsidiary guarantors and the JV subsidiary guarantors, to the extent of the value of the assets serving as security therefor other than the collateral created under the New Notes; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the New Notes.

Covenants

The New Notes, their respective Indentures and the guarantees provided by the subsidiary guarantors will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on its capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;
- (e) guarantee indebtedness of certain of its subsidiaries;

- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption for the New Notes

New 2021 Notes

The Company may choose to redeem all instead of part of the 2021 Notes at any time prior to June 28, 2021 at a redemption price equivalent to 100% of the principal amount of the 2021 Notes redeemed plus the applicable premium as at (but not including) the redemption date and the accrued and unpaid interest (if any).

Subject to certain conditions, the Company may redeem up to 35% of the aggregate principal amount of the 2021 Notes at a redemption price of 106.25% of the principal amount of the 2021 Notes redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, at any time and from time to time prior to June 28, 2021.

New 2023 Notes

On or after June 28, 2020, the Company may on any one or more occasions redeem all or any part of the 2023 Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the 2023 Notes redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on June 28 of the years indicated below:

Year	Redemption Price
2020	103.75%
2021	101.875%
2022 and thereafter	100%

The Company may choose to redeem all instead of part of the 2023 Notes at any time prior to June 28, 2020 at a redemption price equivalent to 100% of the principal amount of the 2023 Notes redeemed plus the applicable premium as at (but not including) the redemption date and the accrued and unpaid interest (if any).

Subject to certain conditions, the Company may redeem up to 35% of the aggregate principal amount of the 2023 Notes at a redemption price of 107.50% of the principal amount of the 2023 Notes redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, at any time and from time to time prior to June 28, 2020.

New 2025 Notes

On or after June 28, 2021, the Company may on any one or more occasions redeem all or any part of the 2025 Notes, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest, if any, on the 2025 Notes redeemed, to (but not including) the applicable date of redemption, if redeemed during the twelve-month period beginning on June 28 of the years indicated below:

Year	Redemption Price
2021	104.375%
2022	102.1875%
2023 and thereafter	100%

The Company may choose to redeem all instead of part of the 2025 Notes at any time prior to June 28, 2021 at a redemption price equivalent to 100% of the principal amount of the 2025 Notes redeemed plus the applicable premium as at (but not including) the redemption date and the accrued and unpaid interest (if any).

Subject to certain conditions, the Company may redeem up to 35% of the aggregate principal amount of the 2025 Notes at a redemption price of 108.75% of the principal amount of the 2025 Notes redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, at any time and from time to time prior to June 28, 2021.

PROPOSED USE OF PROCEEDS

The principal amount of the New Notes will be US\$3,800,000,000, which the Company intends to use to refinance existing indebtedness of the Group and for general corporate purposes.

INFORMATION ABOUT THE COMPANY

The Company is the largest real estate development company in China in terms of contracted sales and land reserves in 2016, according to China Real Estate Information Corporation and the land reserve data disclosed by relevant companies in their applicable stock exchange filings. Founded in Guangzhou City, Guangdong Province in 1996, the Group has become a leading national property developer through its economies of scale and widely recognized brand name, under the leadership of its management team. Over the years, the Group's focus on a centralized management system, a standardized operational model and quality products have allowed it to quickly replicate its success across China. The Group focuses primarily on provincial capitals and other selected cities that the

Group believes have high-growth potential. The Group continues to improve its geographical mix by focusing on replenishment of quality land reserves and taking a balanced approach to the distribution of land reserves among first-, second- and third-tier cities. The Group's land reserves cover most of the provincial capitals and municipalities in China. Through its standardized operational model, the Group has been able to simultaneously manage projects in various development and sale stages in 209 cities across China as of 31 December 2016.

The transaction further reduces the Company's financing cost and optimizes its debt structure, which fully demonstrates the recognition of international investors on the business and development prospect of the Company.

GENERAL

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. This announcement is provided to you because you are a non-U.S. person outside the United States in accordance with Regulation S.

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

Hong Kong, June 22, 2017

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