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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 ISSUE OF US\$ DENOMINATED SENIOR NOTES  
BY SCENERY JOURNEY LIMITED**

The Issuer proposes to conduct an international offering of US\$ denominated senior notes. The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Tianji Holding and by certain other subsidiaries of the Company organized outside the PRC. The Notes will benefit from a keepwell and equity interest purchase undertaking from Hengda Real Estate.

Details of the Proposed Notes Issue, including the aggregate principal amount, the offer price for the Notes and interest rates, will be determined through a book-building exercise conducted by Credit Suisse and China CITIC Bank International as the joint global coordinators, and together with Haitong International and UBS, as the joint bookrunners and joint lead managers. Upon finalising the terms and conditions of the Notes, it is expected that Credit Suisse, China CITIC Bank International, Haitong International and UBS as initial purchasers, Hengda Real Estate as keepwell and equity interest purchase undertaking provider, Tianji Holding as parent guarantor, the Issuer and the Subsidiary Guarantors will enter into the Purchase Agreement. The pricing and completion of the Proposed Notes Issue is subject to market conditions and investor interests.

The Proposed Notes Issue is being undertaken by the Group primarily to refinance existing offshore indebtedness.

Application will be made to the SGX-ST for the listing and quotation of the 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 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 Notes, the Parent Guarantee, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

**As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

## THE PROPOSED NOTES ISSUE

### Introduction

The Issuer proposes to conduct an international offering of US\$ denominated senior notes. The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Tianji Holding and by certain other subsidiaries of the Company organized outside the PRC. The Notes will benefit from a keepwell and equity interest purchase undertaking from Hengda Real Estate.

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

Pursuant to the Keepwell and EIPU, Hengda Real Estate will agree that it shall cause (i) (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) the Issuer, 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 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.

The Keepwell and EIPU does not constitute a guarantee by Hengda Real Estate of the payment obligation of the Issuer under the 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.

Details of the Proposed Notes Issue, including the aggregate principal amount, the offer price for the Notes and interest rates, will be determined through a book-building exercise conducted by Credit Suisse and China CITIC Bank International as the joint global coordinators, and together with Haitong International and UBS, as the joint bookrunners and joint lead managers. Upon finalising the terms and conditions of the Notes, it is expected that Credit Suisse, China CITIC Bank International, Haitong International and UBS as initial purchasers, Hengda Real Estate as Keepwell and EIPU provider, Tianji Holding as parent guarantor, the Issuer and the Subsidiary Guarantors will enter into the Purchase Agreement. The pricing and completion of the Proposed Notes Issue is subject to market conditions and investor interests.

**THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT. THE 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 NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG.**

### **Reasons for the Proposed 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 Proposed Notes Issue is being undertaken by the Group primarily to refinance existing offshore indebtedness.

### **Listing**

Application will be made to the SGX-ST for the listing and quotation of the 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 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 Notes, the Parent Guarantee, the Subsidiary Guarantees or the JV Subsidiary Guarantees (if any).

## **INTENTION TO PURCHASE NOTES BY A CONNECTED PERSON**

Pursuant to the Proposed Notes Issue, Mr. Hui Ka Yan (“**Mr. Hui**”), the chairman and executive director of the Company, has expressed interest to subscribe for up to US\$1.0 billion in aggregate principal amount of the Notes to signify his support to and confidence in the Group. Further details in respect of Mr. Hui’s subscription in the Proposed Notes Issue will be separately announced by the Company, if and when the Proposed Notes Issue materializes.

## **GENERAL**

**As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialise. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company.**

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“China CITIC Bank International”	China CITIC Bank International Limited;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Company”	China Evergrande Group, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Haitong International”	Haitong International Securities Company Limited;

“Hengda Real Estate”	恒大地產集團有限公司 (Hengda Real Estate Group Co., Ltd), a company established in the PRC with limited liability, a non-wholly owned subsidiary of 廣州市凱隆置業有限公司 (Guangzhou Kailong Real Estate Company Limited), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuer”	Scenery Journey Limited 景程有限公司, a company incorporated with limited liability in the British Virgin Islands, an indirectly wholly-owned subsidiary of the Company and the issuer of the Notes;
“JV Subsidiary Guarantors”	subsidiaries of the Company that will provide limited-recourse guarantee for the Notes;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	US\$ denominated senior notes to be issued by the Issuer;
“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Proposed Notes Issue”	the proposed issue of the Notes by the Issuer;
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, Credit Suisse, China CITIC Bank International, Haitong International and UBS, Hengda Real Estate, Tianji Holding, the Issuer, the Subsidiary Guarantors in relation to the Proposed Notes Issue;
“RMB”	Renminbi, the lawful currency of the PRC;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantors”	the subsidiaries of Tianji Holding which guarantee the Notes;
“Tianji Holding”	Tianji Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Hengda Real Estate;

“UBS” UBS AG Hong Kong Branch;  
“U.S. Securities Act” the United States Securities Act of 1933, as amended; and  
“US\$” or “U.S. Dollars” United States dollars, the lawful currency of the United States of America.

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

Hong Kong, 30 October 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.*