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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 ADDITIONAL ISSUE OF US\$ DENOMINATED SENIOR NOTES

PROPOSED ADDITIONAL NOTES ISSUE

Reference is made to the Announcements in respect of the Original Notes. Unless otherwise defined, terms defined in this announcement shall have the same meanings as defined in the Announcements.

The Company proposes to conduct a further international offering of US\$-denominated senior notes on terms and conditions of the Original Notes, save for the issue date, the offer price, the accrual of interests for the Additional Notes and certain temporary securities law transfer restrictions.

Details of the proposed Additional Notes Issue, including the aggregate principal amount and the offer price for the Additional Notes, will be determined through a book-building exercise conducted by Credit Suisse, Bank of America Merrill Lynch, CEB International, China CITIC Bank International and UBS as the joint global coordinators, joint lead managers and joint bookrunners. Upon finalising the terms and conditions of the proposed Additional Notes, it is expected that Credit Suisse, Bank of America Merrill Lynch, CEB International, China CITIC Bank International and UBS as the initial purchasers, the Company and the Subsidiary Guarantors will enter into the Purchase Agreement. The pricing and completion of the proposed Additional Notes Issue is subject to market conditions and investor interests.

THE PROPOSED 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 PROPOSED ADDITIONAL NOTES WILL BE OFFERED TO THE PUBLIC IN HONG KONG.

REASONS FOR THE PROPOSED ADDITIONAL NOTES ISSUE

The Company was founded in 1996 in Guangzhou, Guangdong Province, and gradually developed into a large-scale diversified group with “properties for the people” as its core foundation, cultural tourism and healthcare as supplemental growth businesses and high-tech industry as its emerging segment. It ranked 230th in the Fortune Global 500 in 2018. In recent years, the Company steadfastly transformed its development model from “large scale” to “scale + profitability”; and shifted its operating model from “three-high, one-low”, namely high debt, high leverage, high cost and low turnover, to “three-low, one-high”, namely low debt, low leverage, low cost and high turnover, achieving remarkable results.

The Company intends to use the proceeds of the proposed Additional Notes Issue primarily for refinancing of existing indebtedness with the remainder for general corporate purposes.

LISTING

The Original Notes are listed on the SGX-ST. Applications will be made to 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 Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any).

GENERAL

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

Further announcement in respect of the proposed Additional 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:

“Additional Notes”	US\$-denominated senior notes to be issued by the Company subject to the terms and conditions of the Purchase Agreement (each to be consolidated and form a single series with the its corresponding series of the Original Notes, subject to certain temporary securities law transfer restrictions);
“Additional Notes Issue”	the proposed issue of the Additional Notes by the Company;
“Announcements”	the announcements dated 17 March 2017 and 22 June 2017 in respect of the issue of the Original Notes;
“Bank of America Merrill Lynch”	Merrill Lynch (Asia Pacific) Limited;
“CEB International”	CEB International Capital Corporation Limited;
“China CITIC Bank International”	China CITIC Bank International Limited;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Original Notes”	the 7.0% senior notes due 2020 in the aggregate principal amount of US\$500,000,000 issued by the Company on 23 March 2017, the 6.25% senior notes due 2021 in the aggregate principal amount of US\$598,181,000 issued by the Company on 28 June 2017 and the 8.25% senior notes due 2022 in the aggregate principal amount of US\$1,000,000,000 issued by the Company on 23 March 2017;
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, Credit Suisse, Bank of America Merrill Lynch, CEB International, China CITIC Bank International and UBS, the Company and the Subsidiary Guarantors in relation to the Additional Notes Issue; and

“UBS”

UBS AG Hong Kong Branch.

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

Hong Kong, 22 January 2019

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.