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CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

- (1) ISSUANCE OF ADDITIONAL US\$1,100,000,000 7.0% SENIOR NOTES DUE 2020 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$500,000,000 7.0% SENIOR NOTES DUE 2020 ISSUED ON 23 MARCH 2017),**
- (2) ISSUANCE OF ADDITIONAL US\$875,000,000 6.25% SENIOR NOTES DUE 2021 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$598,181,000 6.25% SENIOR NOTES DUE 2021 ISSUED ON 28 JUNE 2017) AND**
- (3) ISSUANCE OF ADDITIONAL US\$1,025,000,000 8.25% SENIOR NOTES DUE 2022 (TO BE CONSOLIDATED AND FORM A SINGLE SERIES WITH THE US\$1,000,000,000 8.25% SENIOR NOTES DUE 2022 ISSUED ON 23 MARCH 2017)**

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

On 22 January 2019, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with Credit Suisse, CEB International, China CITIC Bank International and UBS in relation to the Additional Notes Issue.

THE PURCHASE AGREEMENT

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors;

- (c) Credit Suisse;
- (d) CEB International;
- (e) China CITIC Bank International; and
- (f) UBS.

Credit Suisse, CEB International, China CITIC Bank International and UBS have been appointed as the joint lead managers and joint bookrunners of the issuance of Additional Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Credit Suisse, CEB International, China CITIC Bank International and UBS is an independent third party and not a connected person of the Company and its connected persons.

The Additional Notes and the related Subsidiary Guarantees have not been, and will not be registered, under the Securities Act or any state securities law and, unless so registered, may not be offered or sold within the United States and may only be offered and sold outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the Securities Act. Accordingly, the Additional Notes are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S. 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 17 March 2017 and 22 June 2017, other than the followings:

Offering price

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

- (a) 98.627% of the principal amount, plus accrued interest from (and including) 23 September 2018 to (but excluding) 25 January 2019 with respect to the Additional 2020 Notes;
- (b) 93.096% of the principal amount, plus accrued interest from (and including) 28 December 2018 to (but excluding) 25 January 2019 with respect to the Additional 2021 Notes; and
- (c) 94.054% of the principal amount, plus accrued interest from (and including) 23 September 2018 to (but excluding) 25 January 2019 with respect to the Additional 2022 Notes.

Issue date

25 January 2019

Certain temporary securities law transfer restrictions

The Additional Notes will be subject to certain temporary securities law transfer restrictions.

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.

REASONS FOR THE 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 Additional Notes Issue primarily for refinancing of its 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).

DEFINITIONS

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

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| “Additional Notes” | the Additional 2020 Notes, the Additional 2021 Notes and the Additional 2022 Notes; |
| “Additional 2020 Notes” | the additional 7.0% senior notes due 2020 in the aggregate principal amount of US\$1,100,000,000 (to be consolidated and form a single series with the Original 2020 Notes) to be issued by the Company ; |
| “Additional 2021 Notes” | the additional 6.25% senior notes due 2021 in the aggregate principal amount of US\$875,000,000 (to be consolidated and form a single series with the Original 2021 Notes) to be issued by the Company; |
| “Additional 2022 Notes” | the additional 8.25% senior notes due 2022 in the aggregate principal amount of US\$1,025,000,000 (to be consolidated and form a single series with the Original 2022 Notes) to be issued by the Company; |
| “Additional Notes Issue” | the 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 and the announcement dated 22 January 2019 in respect of the Additional Notes; |
| “CEB International” | CEB International Capital Corporation Limited; |
| “China CITIC Bank International” | China CITIC Bank International Limited; |
| “Credit Suisse” | Credit Suisse (Hong Kong) Limited; |
| “Original 2020 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; |
| “Original 2021 Notes” | 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; |
| “Original 2022 Notes” | 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; |
| “Original Notes” | the Original 2020 Notes, the Original 2021 Notes and the Original 2022 Notes; |

“Purchase Agreement” the purchase agreement entered into between, among others, Credit Suisse, CEB International, China CITIC Bank International, 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, 23 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.