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PROPOSED ISSUANCE OF US\$ DENOMINATED SENIOR NOTES

PROPOSED NOTES ISSUE

The Company proposes to conduct an international offering of US\$-denominated senior notes.

Details of the Proposed Notes Issue, including the aggregate principal amount, the offer price and interest rates for the Notes will be determined through a book-building exercise conducted by Credit Suisse, BofA Securities, BNP PARIBAS, CCB International, CEB International, China CITIC Bank International, TF International and UBS as the joint lead managers and joint bookrunners. Upon finalising the terms and conditions of the Notes, it is expected that Credit Suisse, BofA Securities, BNP PARIBAS, CCB International, CEB International, China CITIC Bank International, TF 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 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 Company was founded in 1996 in Guangzhou, Guangdong Province, and has established an overall industry layout leveraging in real estate development as its foundation, developing cultural tourism and health and wellbeing management industries as complementary pillars, and focusing in new energy vehicle as a lead growth driver. It ranked 138th in the Fortune Global 500 in 2019.

The Proposed Notes Issue is being undertaken by the Group to refinance certain of its existing indebtedness, including the 2020 Notes, and for general corporate purposes.

LISTING

The Company will seek a listing of the Notes on the SGX-ST. Applications 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 Company, the Subsidiary Guarantors, the JV Subsidiary Guarantors (if any) or any of their respective associated companies (if any).

EXPRESSION OF INTEREST TO PURCHASE NOTES BY CONNECTED PERSONS

Pursuant to the Proposed Notes Issue, Mr. Hui Ka Yan, the chairman and executive director of the Company, and Mr. Xia Haijun, the chief executive officer and executive director of the Company, have expressed interest to subscribe the Notes to signify their confidence in and support to the Group. Further details in respect of their subscriptions will be separately announced if and when they elected to participate in the Proposed Notes Issue.

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 reminded 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:

“2020 Notes”	the 7.0% senior notes due 2020 in the aggregate principal amount of US\$1,600,000,000 issued by the Company;
“BofA Securities”	Merrill Lynch (Asia Pacific) Limited;
“BNP PARIBAS”	BNP Paribas, a public limited company (société anonyme) incorporated in France and the liability of its members is limited;
“Board”	the board of Directors;
“CCB International”	CCB International Capital Limited;
“CEB International”	CEB International Capital Corporation Limited;
“China CITIC Bank International”	China CITIC Bank International 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;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Notes”	the one or more series of US\$ denominated senior notes proposed to be issued by the Company;
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Notes Issue”	the proposed issue of the Notes by the Company;
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, Credit Suisse, BofA Securities, BNP PARIBAS, CCB International, CEB International, China CITIC Bank International, TF International, UBS, the Company and the Subsidiary Guarantors in relation to the Proposed Notes Issue;

“SGX-ST”	Singapore Exchange Securities Trading Limited;
“TF International”	TF International Securities Group Limited;
“UBS”	UBS AG Hong Kong Branch (UBS AG is incorporated in Switzerland with limited liability);
“US Securities Act”	The United States Securities Act of 1933, as amended; and
“US\$”	United States dollar, the lawful currency of the United States of America.

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

Hong Kong, 16 January 2020

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.