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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3333)**

**(I) ISSUANCE OF US\$2,000 MILLION 11.5% SENIOR NOTES DUE 2022**  
**(II) ISSUANCE OF US\$2,000 MILLION 12.0% SENIOR NOTES DUE 2023**  
**BY SCENERY JOURNEY LIMITED**  
**EXEMPTED CONNECTED TRANSACTION**  
**PURCHASES OF NOTES BY CONNECTED PERSONS OF THE COMPANY**

Reference is made to the announcement of the Company dated 21 January 2020 in respect of the proposed Notes Issue.

The Board is pleased to announce that on 21 January 2020, the Issuer, Hengda Real Estate, Tianji Holding and the Subsidiary Guarantors entered into the Purchase Agreement with, among others, Credit Suisse, UBS, BofA Securities and TF International in connection with the issue of (i) US\$2,000 million 11.5% senior notes due 2022 and (ii) US\$2,000 million 12.0% senior notes due 2023.

**THE PURCHASE AGREEMENT**

Date: 21 January 2020

Parties (i) the Issuer;  
(ii) Hengda Real Estate;  
(iii) Tianji Holding;

- (iv) the Subsidiary Guarantors;
- (v) Credit Suisse;
- (vi) UBS;
- (vii) BofA Securities; and
- (viii) TF International.

Pursuant to the Purchase Agreement, the Issuer will issue the Notes while Credit Suisse, UBS, BofA Securities and TF International will be the initial purchasers of the Notes. The Notes will be unconditionally and irrevocably guaranteed on a joint and several basis by Tianji Holding, the Subsidiary Guarantors and any future JV Subsidiary Guarantors. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Credit Suisse, UBS, BofA Securities and TF International is an independent third party and is not a connected person of the Company.

The following is a brief summary of the Notes Issue. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the indentures governing the Notes, the Notes, the Parent Guarantee, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any).

**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 A 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.**

## **THE NOTES ISSUE**

### **Offering Price**

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

- (i) 100% of the principal amount with respect to the 2022 Notes; and
- (ii) 100% of the principal amount with respect to the 2023 Notes.

## **Interest**

The 2022 Notes will bear interest from and including 24 January 2020 at the rate of 11.5% per annum and will mature on 24 October 2022. Interest will be payable semi-annually in arrears on 24 January and 24 July of each year, beginning on 24 July 2020 except that the last interest period will be from and including 24 July 2022 to but excluding 24 October 2022.

The 2023 Notes will bear interest from and including 24 January 2020 at the rate of 12.0% per annum and will mature on 24 October 2023. Interest will be payable semi-annually in arrears on 24 January and 24 July of each year, beginning on 24 July 2020 except that the last interest period will be from and including 24 July 2023 to but excluding 24 October 2023.

## **Ranking of the Notes**

The Notes are (1) general obligations of the Issuer, (2) senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes, (3) at least *pari passu* in right of payment with all the unsecured, unsubordinated indebtedness of the Issuer, including the Existing Notes, (4) guaranteed by Tianji Holding, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations, (5) effectively subordinated to the secured obligations of the Tianji Holding, the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor, and (6) effectively subordinated to all existing and future obligations of the non-guarantor subsidiaries.

## **Optional Redemption for the Notes**

### ***2022 Notes***

At any time prior to 24 July 2022, the Issuer may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, at its option redeem the 2022 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2022 Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 24 July 2022, the Issuer may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, redeem up to 35% of the aggregate principal amount of the 2022 Notes at a redemption price of 111.5% of the principal amount of the 2022 Notes redeemed, plus accrued and unpaid interest, if any, with the proceeds from sales of certain kinds of its capital stock, subject to certain conditions.

At any time from and including 24 July 2022 to but excluding 24 October 2022, the Issuer may, upon giving not less than 15 days' nor more than 30 days' notice to the holders and the Trustee, at its option redeem the 2022 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2022 Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date.

## **2023 Notes**

On or after 24 October 2021, the Issuer 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 Notes redeemed, to (but not including) the applicable date of redemption, if redeemed during the respective period indicated below:

	<b>Redemption Price</b>
From (and including) 24 October 2021 to (excluding) 24 October 2022	106%
From (and including) 24 October 2022 to (excluding) 24 July 2023	103%

At any time prior to 24 October 2021, the Issuer may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, at its option redeem the 2023 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2023 Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 24 October 2021, the Issuer may, upon giving not less than 30 days' nor more than 60 days' notice to the holders and the Trustee, redeem up to 35% of the aggregate principal amount of the 2023 Notes at a redemption price of 112.0% 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, subject to certain conditions.

At any time from and including 24 July 2023 to but excluding 24 October 2023, the Issuer may, upon giving not less than 15 days' nor more than 30 days' notice to the holders and the Trustee, at its option redeem the 2023 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2023 Notes redeemed plus accrued and unpaid interest, if any, to (but not including) the redemption date.

## **THE KEEPWELL AND EQUITY INTEREST PURCHASE AGREEMENT (THE “KEEPWELL AND EIPU”)**

Date: to be dated 24 January 2020

Parties

- (i) the Issuer;
- (ii) Hengda Real Estate;
- (iii) Tianji Holding;
- (iv) the Trustee.

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.

Pursuant to the Keepwell and EIPU, for so long as the Notes are outstanding, Hengda Real Estate agrees to, upon receipt of a written notice from the Trustee following an event of default and subject to obtaining all necessary approvals from the relevant approval authorities, purchase the equity interest held by Tianji Holding and/or any other subsidiaries of Tianji Holding, or the equity interest held by all subsidiaries of Tianji Holding incorporated outside the PRC at a certain price. The purchase price will be determined in accordance with the terms of the Keepwell and EIPU, which provides that, among others, the purchase price in any event shall not be lower than the amount sufficient to enable Tianji Holding, the Issuer, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) to discharge in full their respective obligations under the Notes, the Subsidiary Guarantees, the indenture governing the Notes, the Keepwell and EIPU (including without limitation the principal amount of the Notes then outstanding as at the date of such written notice, any premium and any interest due and unpaid and/or accrued but unpaid on the Notes up to but excluding the date of such written notice).

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.

## **PURCHASES OF NOTES BY CONNECTED PERSONS**

Pursuant to the Notes Issue, Mr. Hui Ka Yan (“**Mr. Hui**”), the chairman and executive director of the Company, has purchased US\$20 million of the 2022 Notes and US\$580 million of the 2023 Notes, and Mr. Xia Haijun (“**Mr. Xia**”), the chief executive officer and executive director of the Company, has purchased US\$50 million of the 2022 Notes.

The subscription price of the Notes payable by Mr. Hui and Mr. Xia is 100% of the principal amount of the Notes and is the same as the subscription price payable by the other investors in the Notes Issue. The purchases by Mr. Hui and Mr. Xia are being undertaken to signify their support to and confidence in the Group. The purchases are part of the Notes Issue and will enable the Company to raise fund. As the terms of the purchases are the same as the other investors in the Notes Issue, the Directors (including the independent non-executive Directors) are of the view that the purchases are being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and its shareholders as a whole.

As the Notes are being issued under normal commercial terms, and that the Notes are not secured by the assets of the Group, the purchases of the Notes by Mr. Hui and Mr. Xia are exempt connected transactions under Rule 14A.90 of the Listing Rules.

As Mr. Hui and Mr. Xia are interested in the Notes Issue, they have abstained from voting on the resolutions at the Board meeting held to approve the Notes Issue and the purchases of the Notes to avoid any conflict of interests.

## **REASONS FOR THE 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 Notes Issue is being undertaken by the Group mainly to refinance its existing indebtedness and for general corporate purposes.

## **LISTING**

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. Approvals 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, Tianji Holding, 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).

No listing of the Notes has been sought in Hong Kong.

## **RATING**

The Notes are expected to be assigned a rating of B2 by Moody's Investors Service, or Moody's, and B by Standard & Poor's Ratings Services, or S&P. Hengda Real Estate has been assigned a long-term corporate credit rating of B+ with a stable outlook by S&P, a corporate family rating of B1 with a stable outlook by Moody's and a long-term foreign currency issuer default rating of B+ with a stable outlook by Fitch Ratings.

**The issue of the Notes is subject to completion. Shareholders and the public are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“2022 Notes”	US\$ denominated senior notes due 2022 in the aggregate amount of US\$2,000 million to be issued by the Issuer;
“2023 Notes”	US\$ denominated senior notes due 2023 in the aggregate amount of US\$2,000 million to be issued by the Issuer;
“Board”	the board of Directors;
“BofA Securities”	Merrill Lynch (Asia Pacific) 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;
“Credit Suisse”	Credit Suisse (Hong Kong) Limited;
“Directors”	the directors of the Company;
“Existing Notes”	the Issuer’s outstanding 11.0% senior notes due 2020, the Issuer’s outstanding 9.00% senior notes due 2021, the Issuer’s outstanding 13.0% senior notes due 2022 and the Issuer’s outstanding 13.75% senior notes due 2023;
“Group”	the Company and its subsidiaries;
“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 PRC;
“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 Guarantor(s)”	subsidiaries of Tianji Holding that will provide limited-recourse guarantee for the Notes;



“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Notes”	the 2022 Notes and the 2023 Notes;
“Notes Issue”	the issue of the Notes by the Issuer;
“Parent Guarantee”	guarantee provided by Tianji Holding on the issue date of the Notes to secure the Issuer’s obligations under the Notes;
“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;
“Purchase Agreement”	the purchase agreement entered into between, among others, Credit Suisse, UBS, BofA Securities, TF International, Hengda Real Estate, Tianji Holding, the Issuer, the Subsidiary Guarantors in relation to the Notes Issue;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary Guarantee(s)”	the guarantees provided by the Subsidiary Guarantors;
“Subsidiary Guarantor(s)”	the subsidiaries of Tianji Holding which guarantee the Notes;
“TF International”	TFI Securities and Futures Limited;
“Tianji Holding”	Tianji Holding Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of Hengda Real Estate;
“Trustee”	Citicorp International Limited, as the trustee of the Notes;
“UBS”	UBS AG Hong Kong Branch (UBS AG is incorporated in Switzerland with limited liability);



“U.S. Securities Act” the United States Securities Act of 1933, as amended;  
“US\$” 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, 21 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.*