

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer, management, as well as financial statements. The Company does not intend to make any public offering of securities in the United States.



CHINA EVERGRANDE GROUP

中國恒大集團

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

PROPOSED ISSUANCE OF US\$ SENIOR NOTES

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

The pricing of the proposed Notes, including the aggregate principal amount, the offering price and interest rates for the Notes will be determined through a book building exercise conducted by Credit Suisse, China Merchants Securities (HK) and Haitong International as the joint lead managers and joint bookrunners. Upon finalising the terms of the Notes, the Company, Credit Suisse, China Merchants Securities (HK) and Haitong International, among others, will enter into the Purchase Agreement.

The Company intends to use the proceeds of the Notes to refinance existing indebtedness of the Group.

The Company intends to seek a listing of the Notes on the SGX-ST. Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST.

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.

THE PROPOSED NOTES ISSUE

Introduction

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

The pricing of the proposed Notes, including the aggregate principal amount, the offering price and interest rates for the Notes will be determined through a book building exercise conducted by Credit Suisse, China Merchants Securities (HK) and Haitong International as the joint lead managers and joint bookrunners. Completion of the Proposed Notes Issue is subject to market conditions and investor interests. Upon finalising the terms of the Notes, the Company, Credit Suisse, China Merchants Securities (HK) and Haitong International, among others, will enter into the Purchase Agreement, pursuant to which Credit Suisse, China Merchants Securities (HK) and Haitong International will be the initial purchasers of the Notes. The Company will make further announcement in respect of the Proposed Notes Issue upon the execution of the Purchase Agreement.

The Notes have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdictions, and will not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state or local securities law in the United States. None of the Notes will be offered to the public in Hong Kong.

Reason for the Proposed Notes Issue

The Group is the largest real estate development company in China in terms of contracted sales and land reserves in 2016, according to China Real Estate Information Corporation and the land reserve data disclosed by relevant companies in their applicable stock exchange filings. 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 China. The Group focuses primarily on provincial capitals and other selected cities that the Group believes have high-growth potential. In 2015 and the first half of 2016, the Group continued to improve its geographical mix by focusing on replenishment of quality land reserves and taking a balanced approach to the distribution of land reserves among first-, second- and third-tier cities. The Group's land reserves cover most of the provincial capitals and municipalities in China. Through its standardised operational model, the Group has been able to simultaneously manage projects in various development and sale stages in 175 cities across China as of 30 June 2016.

The Proposed Notes Issue is being undertaken to refinance existing indebtedness of the Group.

Listing

The Company will seek a listing of the Notes on the SGX-ST. Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes to the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes. No listing of the Notes has been sought in Hong Kong.

RECENT DEVELOPMENTS

In addition to the announcements made by the Company, the Company would like to provide the shareholders of the Company and investors with the following updates on the development of the Company:

Newly acquired land since 30 June 2016

During the first half of 2016, the Group acquired a total planned GFA of approximately 42.36 million square meter land reserve at an average acquisition cost of approximately RMB1,994 per square meter. During the six months ended on 31 December 2016, the Group acquired new land reserves for a total planned GFA and at an average acquisition cost not less than the first half of 2016. Set forth below are some of the Group's major land acquisitions made subsequent to 30 June 2016 involving land premiums of over RMB3 billion.

(1) Shenzhen Fasion Huigu Mansion Project

The Group acquired this project in Shenzhen in July 2016 for a total land premium of RMB3,350 million. The project occupies a total site area of 85,748 square meters with an aggregate total GFA of 391,260 square meters.

(2) Suzhou Evergrande Capital Project

The Group acquired this project in Suzhou in September 2016 for a total land premium of RMB6,660 million. The project occupies a total site area of 233,628 square meters with an aggregate total GFA of 389,198 square meters.

(3) Suzhou Evergrande Royal Bay Project

The Group acquired this project in Suzhou in September 2016 for a total land premium of RMB3,038 million. The project occupies a total site area of 85,935 square meters with an aggregate total GFA of 171,870 square meters.

(4) Tangshan Century Dragon Garden Project

The Group acquired this project in Tangshan in September 2016 for a total land premium of RMB4,586 million. The project occupies a total site area of 580,580 square meters with an aggregate total GFA of 1,914,683 square meters.

(5) *Tianjin Xianshuigu Project*

The Group acquired this project in Tianjin in September 2016 for a total land premium of RMB4,260 million. The project occupies a total site area of 195,155 square meters with an aggregate total GFA of 289,321 square meters.

(6) *Wuxi Liangxi XSG-2016-19 Parcel*

The Group acquired this project in Wuxi in November 2016 for a total land premium of RMB3,260 million. The project occupies a total site area of 120,254 square meters with an aggregate total GFA of 300,635 square meters.

Update on indebtedness and other obligations

Since 30 June 2016, the Group has incurred additional debt in its ordinary course of business to finance the operations of the Group and to refinance its short-term debt. Subsequent to 30 June 2016 and up to 3 March 2017, the Group has incurred additional material borrowings (net of repayments) in the aggregate amount of not less than RMB165.0 billion (US\$24.8 billion).

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:

“Board”	the board of Directors;
“China Merchants Securities (HK)”	China Merchants Securities (HK) Co., Ltd., one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;
“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 Securities (Europe) Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;

“Directors”	the directors of the Company;
“GFA”	gross floor area;
“Group”	the Company and its subsidiaries;
“Haitong International”	Haitong International Securities Company Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Notes”	US\$ 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, Macau Special Administrative Region and Taiwan;
“Proposed Notes Issue”	the proposed issue of the Notes by the Company;
“Purchase Agreement”	the agreement proposed to be entered into, among others, between the Company, Credit Suisse, China Merchants Securities (HK) and Haitong International in relation to the Proposed Notes Issue;
“SGX-ST”	Singapore Exchange Securities Trading Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S. Securities Act”	the United States Securities Act of 1933, as amended; and
“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, 17 March 2017

As at the date of this announcement, the executive Directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Ms. He Miaoling, Mr. Pan Darong, Mr. Xu Wen and Mr. Huang Xiangui, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. He Qi and Ms. Xie Hongxi.