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PROPOSED ISSUANCE OF 9.50% US\$ SENIOR NOTES DUE 2024

The Company proposes to conduct an international offering of US\$ senior notes due 2024 with an aggregate principal amount of up to US\$1 billion having an interest rate of 9.50% per annum.

The terms of the proposed Notes, including the aggregate principal amount and the offering price for the Notes will be determined through a book building exercise conducted by China CITIC Bank International, China Merchants Securities (HK) and Haitong International as the joint lead managers and joint bookrunners. Upon finalising the terms of the Notes, the Company, China CITIC Bank International, 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 from 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 or the Notes.

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 due 2024 with an aggregate principal amount of up to US\$1 billion having an interest rate of 9.50% per annum.

The terms of the proposed Notes, including the aggregate principal amount and the offering price for the Notes will be determined through a book building exercise conducted by China CITIC Bank International, 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, China CITIC Bank International, China Merchants Securities (HK) and Haitong International, among others, will enter into the Purchase Agreement, pursuant to which China CITIC Bank International, 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 jurisdiction, and may 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. The Group continues 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 from 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 or the Notes.

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 CITIC Bank International”	China CITIC Bank International Limited, one of the joint lead managers and joint bookrunners in respect of the Proposed Notes Issue;
“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;
“Directors”	the directors of the Company;
“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”	9.50% US\$ senior notes due 2024 with an aggregate principal amount of up to US\$1 billion 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, China CITIC Bank International, 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, 24 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.